
2011 Action Plan

for

CDBG, HOME, ESG, HOPWA

Massachusetts

June 2011



COMMONWEALTH OF MASSACHUSETTS

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EXECUTIVE SUMMARY

2011 Action Plan Overview

The 2010 – 2014 Consolidated Plan (“the five year plan”), submitted to U.S. Department of Housing and Urban Development (HUD) in May, 2010, identifies the housing and community development needs of Massachusetts and provides the framework for how Massachusetts intends to address and prioritize those needs over the next five years. The five year plan and the 2011 Action Plan pertain to the activities of the following programs:

- Community Development Block Grant Program (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA), and;
- Emergency Shelter Grant (ESG)

The 2011 Action Plan is the one-year implementation plan for federal fiscal year 2011 and the program year that begins on April 1, 2011. It outlines the specific activities and goals for how the programs listed above will address the prioritized needs identified in the five year plan, as well as the method of distribution of funds for each of the four programs. It partially fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. *The bulk of the requirements of Section 91.320, however – available resources and program specific requirements – are found in Tables 4 and 5 and **Appendix B** (Program Specific Requirements, including the Massachusetts FY 2011 CDBG Action Plan in its entirety).* State required certifications are located in **Appendix D**.

In Massachusetts, the Department of Housing and Community Development, within the Executive Office of Housing and Economic Development, administers the CDBG, HOME, and ESG programs and is the lead agency in the preparation and submission of the HUD Plans for all programs covered by the Consolidated Plan. The Massachusetts Department of Public Health, under the Executive Office of Health and Human Services, administers and monitors the HOPWA program.

Guiding Principles and Objectives

Six objectives were established in the 2010-2014 Consolidated Plan.* These objectives support the Commonwealth’s overarching goal for all its housing and community development efforts: to provide broad economic opportunity and a high quality of life for all Massachusetts residents. They also support HUD’s complementary goals of providing decent housing, a suitable living environment and expanded economic opportunities. The six objectives of the 2010-2014 Massachusetts plan are:

1. Promote *strong communities* throughout the Commonwealth.
2. Preserve and create *affordable rental housing options* for low and moderate income residents.
- 3a. *Reduce* chronic and family *homelessness through a housing-based approach*, with a long-term goal of ending homelessness.
- 3b. Help low-income households develop *economic self sufficiency*.
4. Ensure *full and fair access to housing* for all residents of the Commonwealth.
5. Promote *sustainable homeownership* opportunities for low, moderate and middle income families.
6. Ensure MA residents with disabilities have access to *affordable, accessible community housing options* that support *consumer choice* and access to mainstream resources, including employment and long term supports as needed.

In its execution of the plan, DHCD and its partner agencies will be guided by the following fundamental principles:

- Build upon the existing assets of the state's diverse regions;
- Promote sustainable development;
- Improve the capacity of community based organizations and local government;
- Remove barriers to affordable housing development; and,
- Forge partnerships with municipalities and regional institutions.

* <http://www.mass.gov/Ehed/docs/dhcd/cd/planpolicy/consolidated/2010conplan.pdf>.

FY 2011 Annual Action Plan Funding

Table 1 shows the estimated amount of funding the Commonwealth expects to receive for federal fiscal year 2011 from the U.S. Department of Housing and Urban Development. The use of funds from these four sources contributes to a coordinated and comprehensive state response to the listed goals.

| Table 1: FY 2011 Consolidated Plan Federal Funding | | |
|---|--------------------|-------------------|
| Program | Lead Agency | Allocation |
| CDBG | DHCD | \$30,463,198 |
| HOME (including any FY 2011 American Dream Down-payment Initiative) | DHCD | \$13,266,893 |
| ESG | DHCD | \$ 2,588,744 |
| HOPWA | DPH (within EOHHS) | \$ 197,121 |
| TOTAL | | \$46,515,956 |

Evaluation of Past Performance

This Annual Action Plan represents the first year of implementation of the objectives set forth in the 2010-2014 Consolidated Plan. Ninety days after the close of the state's HUD program year (April 1 through March 31), the Commonwealth submits the annual Performance Evaluation Reports (PER) for the programs covered by the Consolidated Plan; the PERs for 2010 are due June 30, 2011.

Public Participation

Appendix A presents a detailed record of public hearings, as well as a summary of comments from those hearings. DHCD held a month-long comment period, posted the Draft Plan online at DHCD's website, and sent copies of the draft to key public locations throughout the state. Printed copies were also available upon request. The most recent Consolidate Plan (2010-2014) was also available on DHCD's website. There were two public hearings that were publicized through newspaper announcements, website posting, and email notification to a wide network of housing and community development providers, municipalities, elected officials, and other interested parties throughout the Commonwealth. Responders could comment via e-mail, by post, or in person.

Summary of One Year Action Plan and Five Year Goals for Consolidated Plan

The state's one-year Action Plan and Five-Year Goals are presented in **Table 2**. It includes only the programs that are funded by the four covered HUD grants and presents the number of households or individuals, or other measurable variables, to be assisted with the amount expected to be available during FY 2011. An estimate of the level of assistance projected for the full five years covered by the Consolidated Plan is also included. (Resources are listed more than once if they are being used to meet more than one objective, e.g. CDBG). Because Congress has not yet passed the FY2011 budget, the program allocations and outcome projections in this Plan are based on an assumption of level funding. Should that not be the case, adjustments may be made to this Plan.

The Commonwealth's 2010-2014 HUD Consolidated Plan provides a complete description and discussion of the rationale for determining the goals and objectives for the five years covered by the plan. The Consolidated Plan is available at: <http://www.mass.gov/Ehed/docs/dhcd/cd/planpolicy/consolidated/2010conplan.pdf>.

Table 2: Five Year Objectives and FY2011 Funding Levels for All Covered Programs

| | | FY 2011 | | | FY 2010 - 2014 | |
|-----------|--|---|----------------|-----------------------------------|----------------|----------------|
| # | Objective/Consolidated Plan Resources | Funding Level | Activity Level | Target Population | Funding Level | Activity Level |
| 1. | <i>Promote strong, sustainable communities throughout the commonwealth</i> | | | | | |
| | CDBG - CDF I and II | \$10,391,206 | | Min 51% Low Income | \$54,040,000 | |
| | CDBG - Mini Entitlement | \$2,110,000 | | Min 51% Low Income | \$10,550,000 | |
| | CDBG - Economic Development Fund | \$1,000,000 (including \$200,000 from program income) | n/a | Min. 51% Low Income | \$5,500,000 | n/a |
| 2. | <i>Preserve and create affordable rental housing options for low and moderate income residents</i> | | | | | |
| | HOME - MF Rental Housing | \$11,940,204 | 290 | 100% <60%, 20% VLI | \$67,100,000 | 1,655 |
| 3. | <i>Reduce chronic and family homelessness through a housing-based approach</i> | | | | | |
| | ESG (Balance of State) | \$2,588,744 | 6,000 | Homeless Priority Pop. | \$12,900,000 | 30,000 |
| | HUD Balance of State Continuum of Care | \$8,505,582 | 3,368 | Homeless Priority Pop. | \$42,500,000 | 16,900 |
| | HOME – Multi-Family Rental Housing Loans | <\$2,000,000 | <40 | Homeless families and individuals | <10,000,000 | <200 |
| 4. | <i>Ensure full and fair access to housing for all residents</i> | | | | | |
| | <i>This objective is embedded within all of the Commonwealth's policies and initiatives.</i> | | | | | |
| 5. | <i>Promote sustainable homeownership for low, moderate, and middle income families</i> | | | | | |
| | HOME - Homebuyer Assistance: Rehab/New Construction for FTHB | -0- | -0- | 100% at/below 80% AMI | \$1,750,000- | 30 |
| | HOME - Homebuyer Assistance: Down Payment & Closing Costs (HOME ADDI) | <\$200,000 | 20 | 100% at/below 80% AMI | \$1,000,000 | 110 |
| | CDBG – CDF and Mini-Entitlement | \$12,794,543 | 500 | Low/moderate Income | \$65,880,000 | 2,500 |
| 6. | <i>Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources, including employment and long-term supports, as needed.</i> | | | | | |
| | HOPWA | \$197,121 | n/a | 100% Low income, 50% ELI | \$975,000 | n/a |

2011 Objectives and Strategies

Objectives and Strategies from 2010-2014 Consolidated Plan

As outlined in the 2010-2014 Consolidated Plan, the key strategies through which the Commonwealth of Massachusetts intends to achieve its objectives include the following:

Objective #1: Promote strong, sustainable communities throughout the Commonwealth.

Strategies:

- Support Smart Growth/Transit-Oriented Development and encourage housing near jobs
- Provide comprehensive foreclosure prevention and mitigation assistance
- Support municipalities with planning (for sustainable economic/community development and land use decisions) and technical assistance
- Support local business development and retention strategies and leverage resources from the Executive Office of Housing and Economic Development to support this goal

Objective #2: Preserve and create affordable rental housing options for low and moderate income residents.

Strategies:

- Preserve the physical and financial viability of existing affordable housing (both publicly assisted and private)
- Maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness
- Increase the supply of rental housing
- Aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities
- Improve the energy efficiency of the existing inventory, both publicly assisted and privately owned

Objective #3a: Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.

Strategies:

- Implement HEARTH Act provisions as early as possible to maximize DHCD's new Architecture for preventing homelessness and diverting households from emergency shelter with more appropriate housing options
- Provide housing first opportunities for homeless families and individuals
- Use new resources for rapid rehousing and shelter diversion activities
- Get chronically homeless people into permanent supportive housing as quickly as possible
- Develop a range of housing options and services for homeless families and individuals
- Continue to provide emergency shelters as a back-up for situations where a household cannot be prevented or diverted from becoming homeless
- Reconfigure existing shelter beds where possible toward permanent housing
- Improve access to and coordination across mainstream services and public benefit sources

In addition, DHCD intends to ensure that the strategies that preserve and expand the supply of affordable housing, and the programs that enable low income residents to pay for housing (e.g., rental assistance) also support the objective of reducing homelessness.

Objective #3b: Help low-income households develop economic self sufficiency.

Strategies:

- Expand job readiness through asset development, personal financial education, etc.
- Invest in programs for low-skilled residents that build their market competitiveness
- Align state policies to facilitate asset building and economic mobility for lower income residents

Objective #4:

Ensure full and fair access to housing for all residents of the Commonwealth.

This objective applies to all populations and all program areas, and the primary strategies reflect this:

- Embed fair housing principles and priorities throughout all programs
- Reduce barriers to affordability in all communities
- Vigorously enforce all fair housing laws
- Reduce barriers to accessibility

Objective #5: Promote sustainable homeownership opportunities for low, moderate and middle income families.

Strategies:

- Provide homebuyer counseling and education to prepare owners for a successful application and ownership experience
- Support a continuum of options for properties in foreclosure and owners at risk of foreclosure
- Facilitate the purchase (and rehabilitation) of existing units for resale to or re-occupancy by low and moderate income families
- Increase the supply of housing affordable to a range of incomes, particularly “workforce housing” serving moderate and middle income employees
- Increase the supply of affordable housing in areas of opportunity
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options

Objective #6: Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources, including employment and long term supports as needed.

Strategies:

- Include community-based options for households with a disability in supportive housing and other subsidized developments
- Encourage sensitive rehab (i.e. rehab that includes increased accessibility) of disability units in expiring use redevelopment

Homelessness

Homeless Needs

As a result of the significant expansion of its emergency shelter system over the past two decades and its current focus on ending, rather than managing, homelessness, the Commonwealth's unmet homeless needs – for both families and individuals – are for transitional and permanent supportive housing. DHCD currently provides 3,093 shelter beds for homeless individuals and approximately 2,700 emergency shelter placements units for homeless families.

DHCD has identified the need for 3,200 units of permanent supportive housing for homeless individuals and units for approximately 5,000 persons in families with children. (HUD requires participating jurisdictions to estimate the number of *individuals*, including children, in need of supportive housing, rather than the number of *households*.) These numbers reflect DHCD's goal of gradually moving the emergency assistance system away from a shelter-based model and towards a permanent housing-based model. While the agency recognizes that, in the short term, homeless families and individuals will continue to use shelters and transitional housing, its end goal is a system where all households have access to permanent housing.

According to the most recent annual Point in Time Counts completed by the 20 Massachusetts Continuums of Care, there were approximately 3,471 family households sheltered in Massachusetts. The next PIT Count is being conducted by almost all CoCs on January 26, 2011.

The "Housing and Homeless Needs Assessment" is included in the Consolidated Plan, along with a list of shelter facilities.

Table 3: (HUD Table 1): Homeless Needs Based on all 20 Massachusetts CoC's Homeless Point in Time Counts

| Continuum of Care: Homeless Population and Sub-population Chart 2010 | | | | | |
|---|----------------------|--------------|-----------|-------------|--------------|
| | Sheltered | | Safe | Unsheltered | Total |
| Part 1. Homeless Population | Emergency | Transitional | Havens | | |
| # of Family Households with Child(ren) | 2,749 | 699 | | 23 | 3,471 |
| 1. # Persons in Families w/Children | 8,255 | 1,765 | | 66 | 10,086 |
| 2. # Unaccompanied Adults w/o Children | 3,107 | 2,283 | 36 | 889 | 6,315 |
| Add lines 1 & 2 for Total Persons | 11,362 | 4,048 | 36 | 955 | 16,401 |
| Part 2. Homeless Subpopulations | Sheltered | | Safe | Unsheltered | Total |
| | Chronically Homeless | | Havens | | |
| Chronically Homeless in Emergency Shelter or Unsheltered | 1352 | | 22 | 517 | 1891 |
| Severely Mentally Ill | 1895 | | | 147 | 2042 |
| Chronic Substance Abuse | 2912 | | | 206 | 3118 |
| Veterans | 1073 | | | 43 | 1116 |
| Persons with HIV/AIDs | 133 | | | 8 | 141 |
| Victims of DV | 1452 | | | 19 | 1471 |
| Unaccompanied Youth Under 18 | 99 | | | 20 | 119 |

Source: 2010 State Continuum of Care Data. Note that these numbers only refer to shelter specifically set aside for homeless households.

Strategy

Beginning with the release of the Massachusetts Commission's Plan to End Homelessness in 2007, the Commonwealth has undertaken a number of initiatives to transform the homelessness system to focus more heavily on housing. Among other initiatives, this plan resulted in the reconstitution of the Commonwealth's Interagency Council on Housing and Homeless (ICHH) as a vehicle for coordinating agencies and organizations that deliver homeless and housing programs throughout Massachusetts.

Early in 2008, ICHH made awards totaling \$8 million to eight Regional Networks that it established to pilot integrated, streamlined, regionally-based networks of stakeholders to demonstrate how greater coordination and local innovation can improve the Commonwealth's ability to eradicate homelessness. Two additional Networks were funded by private resources, which allowed every community in the state to take part in the demonstration. The following year (March 2009) the Massachusetts Legislature supported the Patrick/Murray Administration's proposal to transfer the emergency shelter program and services (EA) to the Department of Housing and Community Development (DHCD). The transfer, which occurred on July 1, 2009, reflected the emerging consensus that embedding homelessness services within a housing agency would facilitate prevention and re-housing for homeless and at-risk households.

Even though DHCD funds emergency shelter capacity sufficient for over 2,000 homeless families, the current need exceeds the capacity. Approximately 1,000 homeless families are now temporarily sheltered in hotels and

motels across the Commonwealth, using Emergency Assistance funding. The Patrick/Murray Administration is committed to moving the Commonwealth's response to homelessness from a shelter program to a housing program through a two-pronged effort: rapidly rehouse homeless families currently in shelters; and, implement prevention and diversion activities to reduce the need for shelter by providing suitable housing alternatives.

These approaches are being implemented through a framework the Commonwealth has adopted that describes an appropriate allocation of resources to meet the Homeless Commission's goals. This architecture is described in full in the Commonwealth's 2010- 2014 HUD Consolidated Plan. Over the course of 2009 and 2010, DHCD and the ICHH tested prevention, diversion, and rehousing strategies, in combination with federal Homelessness Prevention and Rapid Rehousing resources. Through the Regional Networks, nearly 12,000 at-risk families received prevention services, 952 homeless families were diverted from shelter in favor of housing, and 476 chronically homeless individuals were rehoused. In addition to the Regional Network efforts, DHCD implemented a major rehousing effort in fiscal year 2010 that resulted in 1,500 families exiting the shelter system with 12 months of rental support and stabilization services.

The Regional Network demonstration period concluded on September 30, 2010, and the ICHH now looks to move toward the systems redesign and transformation phases necessary to fulfill the Commission's Plan to End Homelessness. A continuous improvement process will also be built into the transformation to ensure Massachusetts remains at the forefront of innovation and research-based best practices in preventing and ending homelessness for individuals and families. Institutionalizing successes from the DHCD and ICHH pilots and adjusting policy and practice based on lessons from across the Commonwealth will allow Massachusetts to focus scarce resources on permanent housing solutions instead of temporary shelter. Crafting housing solutions that do not require households to enter shelter has already begun to reduce reliance on shelter and lessen the diverse impacts associated with lengthy shelter stays.

More information on homelessness in Massachusetts and the Patrick Administration's efforts to eradicate it can be found in the 2010-2014 HUD Consolidated Plan; on the Massachusetts ICHH website, (<http://mass.gov/governor/ichh>), and on the DHCD Division of Housing Stabilization website (<http://www.mass.gov/dhcd>).

Fair Housing

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

Fair housing is embedded in all the commonwealth's housing programs and activities. In 2007, DHCD completed *The Analysis of Impediments to Fair Housing Choice* (AI), which is available at: http://www.mass.gov/?pageID=eheadterminal&L=5&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&L4=DHCD+Legal+Resources&sid=Ehead&b=terminalcontent&f=dhcd_hd_fair_fairh&csid=Ehead. DHCD's Fair Housing Advisory Committee, comprising fair housing advocates, representatives of quasi-public state agencies, and state and local enforcement agencies continues to provide input to DHCD. The committee is now focusing on methods for furthering fair housing education and outreach; evaluating local selection practices; promoting universal design and visitability; increasing community accountability for exclusionary practices; and improving housing access for residents with limited English proficiency.

With the committee's input, DHCD released its comprehensive Affirmative Fair Housing and Civil Rights Policy in 2011, available at: http://www.mass.gov/Ehed/docs/dhcd/hd/fair/affirmative_fairhousingp.pdf. Full implementation of the policies is expected to take several years, but current initiatives and key objectives for the period covered by the 2010-2014 are described in the Consolidated Plan. The Fair Housing Mission Statement and Principles is in Exhibit 7 of the 2011 CDBG Annual Plan; an update on those initiatives can be found in Appendix C of this document.

Lead Based Paint

The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program (MACLPPP) is the lead agency for educating the public about the risks of lead and for ensuring that affected children receive appropriate intervention. DHCD manages the Massachusetts Lead Paint Abatement Program, which provides HUD funds to municipalities and non-profit agencies for programs that pay for lead paint testing and abatement in privately-owned housing occupied by low-income families. The program's actions closely follow or exceed requirements in the HUD Lead-Safe Rule.

During the period covered by this plan, the Commonwealth intends to continue its vigorous implementation of the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities. The Commonwealth's Lead Paint Abatement Program is described in detail in the 2010-2014 Consolidated Plan and on the DHCD website.

SOURCES OF FUNDS

Financial Resources Available for FY 2011

In addition to the approximately \$46.5 million that will flow to the state through the federal programs covered by this Annual Action Plan and the approximately \$324 million from other federal sources to support housing and community development activities, the Commonwealth expects to commit approximately \$350 million to support the types of activities outlined in this plan. **Table 4** identifies the DHCD administered funds from all state and federal sources for state FY 2011. Additionally, **Table 5** presents federal and state resources devoted to housing and community development in the Commonwealth, including from the quasi-public agencies -- MassHousing Finance Agency, CEDAC, Mass. Housing Partnership, and MassDevelopment.

In Table 4, the resources available to the three programs covered by this plan and managed by DHCD are highlighted. The amounts differ from the FY2011 awards because these program lines include funds carried over from the prior fiscal year that were still in the account at the beginning of the current (2011) fiscal year. HOPWA funds are not shown on this table, because that program is administered by the Massachusetts Department of Public Health.

| Table 4: FY 2010 Funding from All State and Federal Sources | | | | | | |
|--|------------------------|----------------------|--------------------|-------------------|-------------------|--------------------|
| Funding Sources | State Operating | State Capital | Federal | ARRA | Trust | Total |
| ADMINISTRATION | | | | | | |
| MAIN ADMINISTRATION - 70040099 | 6,851,637 | | | | | 6,851,637 |
| INDIAN AFFAIRS - 70040001 | 99,698 | | | | | 99,698 |
| NATIVE AMERICAN STUDIES INSTITUTE - 70040011 | | | | | 110,254 | 110,254 |
| Subtotal: | 6,951,335 | 0 | 0 | 0 | 110,254 | 7,061,589 |
| PUBLIC HOUSING & RENTAL ASSISTANCE | | | | | | |
| AHVP (Alternative Housing Voucher Program) - 70049030 | 3,450,000 | | | | | 3,450,000 |
| C.707 Rental Assistance (DMH & DPH) - 70049033 | 4,000,000 | | | | | 4,000,000 |
| MRVP - 70049024 | 29,997,061 | | | | | 29,997,061 |
| MRVP Trust (MassHousing Funds) | | | | | 2,500,000 | 2,500,000 |
| SEC 8 HOUSING CHOICE VOUCHER PROGRAM - 70049014 | | | 225,296,955 | | | 225,296,955 |
| SEC 8 MODERATE REHABILITATION - 70049019 | | | 8,500,000 | | | 8,500,000 |
| SEC 8 NEW CONSTRUCTION PROGRAM - 70049020 | | | 6,730,015 | | | 6,730,015 |
| SEC 8 SUBSTANTIAL REHABILITATION - 70049009 | | | 9,400,000 | | | 9,400,000 |
| SEC 8 ADMIN FEE HOUSING VOUCHER - 70042363 | | | 9,347,246 | | 10,565,852 | 19,913,098 |
| SEC 8 ADMIN FEE MODERATE REHAB - 70042364 | | | | | 191,195 | 191,195 |
| SEC 8 ADMIN FEE NEW CONSTRUCTION - 70042365 | | | | | 261,171 | 261,171 |
| SEC 8 ADMIN FEE SUBSTANTIAL REHAB - 70042361 | | | | | 399,364 | 399,364 |
| MOVING TO ECONOMIC OPPORTUNITY - 70040013 | | | | | 1,750,000 | 1,750,000 |
| SHELTER PLUS CARE LOWELL - 70049051 | | | 51,381 | | | 51,381 |
| Resid. Asst for Families in Transition (RAFT) - 70049316 | 3,060,000 | | | | | 3,060,000 |
| TENANCY PRESERVATION PROGRAM - 70043045 | 250,000 | | | | | 250,000 |
| HOUSING SERVICES (HCEC'S) - 70043036 | 1,624,317 | | | | | 1,624,317 |
| PUBLIC HOUSING SUBSIDIES - 70049005 | 62,500,000 | | | | | 62,500,000 |
| PUBLIC HSG MODERNIZATION/DEVELOPMENT - 70047011 | | 82,000,000 | | | | 82,000,000 |
| P. HSG. AFFORDABLE HOUSING TRUST FUND - 70049300 | | 5,000,000 | | | 295,830 | 5,295,830 |
| SERVICE COORDINATORS PROGRAM - 70044314 | 350,401 | | | | | 350,401 |
| WARNER MULTI-FAMILY OIL OVERCHARGE - 34221066 | | | | | 304,958 | 304,958 |
| HPRP - ARRA 70043051 | | | | 18,433,744 | | 18,433,744 |
| Subtotal: | 105,231,779 | 87,000,000 | 259,325,597 | 18,433,744 | 16,268,370 | 486,259,490 |
| HOUSING DEVELOPMENT | | | | | | |
| CAPITAL IMPR. & PRES. (CIPF) - 70047015 | | 5,000,000 | | | | 5,000,000 |
| HOME - 70049028 | | | 34,108,920 | | | 34,108,920 |
| HOME PARTNERSHIP TRUST - 70049026 | | | | | 951,915 | 951,915 |
| HOME TECHNICAL ASSISTANCE - 70049039 | | | 75,000 | | | 75,000 |
| FACILITIES CONSOLIDATION FUND (FCF) - 40008200 | | 7,500,000 | | | | 7,500,000 |
| HOUSING INNOVATION FUND (HIF) - 70047013 | | 9,000,000 | | | | 9,000,000 |
| HOUSING STABILIZATION FUND - 70047014 | | 13,000,000 | | | | 13,000,000 |
| LEAD-BASED PAINT HAZARD CONTROL PROG. - 70040304 | | | | | | 0 |
| LOW INCOME HOUSING TAX CREDIT - 70049315 | 2,329,213 | | | | | 2,329,213 |

Table 4 (continued)

| Funding Sources | State Operating | State Capital | Federal | ARRA | Trust | Total |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
| TCAP TAX CREDIT - ARRA | | | | 59,605,630 | | 59,605,630 |
| TAX CREDIT EXCHANGE - ARRA | | | | 106,035,450 | | 106,035,450 |
| ARRA - LEAD HAZARD CONTROL - 70040305 | | | | 2,207,656 | | 2,207,656 |
| COMMERCIAL AREA TRANSIT NODE HOUSING | | 1,000,000 | | | | 1,000,000 |
| TRANSIT ORIENTED DEVELOPMENT (ISA w/EOT) | | 1,000,000 | | | | 1,000,000 |
| MASS REHAB HOME MODIFICATION LOANS | | 4,000,000 | | | | 4,000,000 |
| COMMUNITY BASED HOUSING INITIATIVE | | 5,000,000 | | | | 5,000,000 |
| TECH ASST/EMPLOYER ASSISTED TRUST 7004-0006 | | | | | 2,666,454 | 2,666,454 |
| Subtotal: | 2,329,213 | 45,500,000 | 34,183,920 | 167,848,736 | 3,618,369 | 253,480,238 |
| COMMUNITY SERVICES | | | | | | |
| CDAG - 70047012 | | 5,400,000 | | | | 5,400,000 |
| COMMUNITY DEVELOPMENT GRANTS - 70040098 | | 5,124,078 | | | | 5,124,078 |
| COMMUNITY SERVICE BLOCK GRANT/CSBG - 70042034 | | | 16,207,825 | | | 16,207,825 |
| LOW INCOME HOME ENERGY ASST. (LIHEAP) - 70042033 | | | 214,444,143 | | | 214,444,143 |
| HUD SOLAR ENERGY TRUST - 34221060 | | | | | 7,083 | 7,083 |
| SMALL CITIES (CDBG) - 70043037 | | | 53,317,359 | | | 53,317,359 |
| SMALL CITIES BLOCK GRANT EDSA TRUST - 70043041 | | | | | | 0 |
| SMART GROWTH TRUST FUND - 7004-4500 | | | | | 22,588,810 | 22,588,810 |
| URDG - 70049108 | | 3,696,306 | | | | 3,696,306 |
| WEATHERIZATION - 70042030 | | | 10,133,264 | | | 10,133,264 |
| ARRA - WEATHERIZATION - (DOE) -70042031 | | | | 122,077,457 | | 122,077,457 |
| ARRA - COMMUNITY SERVICE BLOCK GRANT - 7004-2032 | | | | 24,922,586 | | 24,922,586 |
| ARRA - CDBG R - 70043041 | | | | 9,103,174 | | 9,103,174 |
| NEIGH STABILZ PROGRAM (NSP1) 7004-3038 | | | 43,466,030 | | | 43,466,030 |
| ARRA - NEIGH STABILZ PROGRAM (NSP2) | | | | 14,500,000 | | 14,500,000 |
| Subtotal: | 0 | 14,220,384 | 337,568,621 | 170,603,217 | 22,595,893 | 544,988,116 |
| HOUSING STABILIZATION | | | | | | |
| OPERATION OF HOMELESS PROGRAMS - 7004-0100 | 4,754,159 | | | | | 4,754,159 |
| FAMILY SHELTERS - 7004-0101 | 151,505,859 | | | | | 151,505,859 |
| HOMELESS INDIVIDUALS ASST. - 7004-0102 | 36,281,684 | | | | | 36,281,684 |
| HOME & HEALTHY FOR GOOD PROGRAM - 7004-0104 | 1,200,000 | | | | | 1,200,000 |
| END HOMELESSNESS RESERVE - 1599-1004 | 7,030,801 | | | | | 7,030,801 |
| EMERGENCY SHELTER GRANTS (ESG) - 4400-0705 | | | 2,900,000 | | | 2,900,000 |
| CONTINUUM OF CARE (CoC) - 4400-0707 | | | 6,000,000 | | | 6,000,000 |
| SHELTER PLUS CARE (SPC) - 4400-9404 | | | 3,400,000 | | | 3,400,000 |
| Subtotal: | 200,772,503 | 0 | 12,300,000 | 0 | 0 | 213,072,503 |
| Total Agency: | 315,284,830 | 146,720,384 | 643,378,138 | 356,885,697 | 42,592,886 | 1,504,861,936 |

Note: Consolidated Plan resources are highlighted in the table above. The amounts differ from the FY2011 awards because they include funds carried over from prior fiscal years that were still in the account at the beginning of FY2011. HOPWA funds are not shown because they are administered by the Department of Public Health.

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|--|--|--|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| <i>Federal Consolidated Plan Covered Resources</i> | | | | |
| CDBG (Total Allocation) | Housing Rehab, CD Activities, Economic Dev | Min 51% low income | \$30,500,000 | |
| CDBG: Community Development Fund | Housing Rehab | Min 51% low income | \$6,927,470 | |
| CDBG: Community Development Fund | CD Activities | Min 51% low income | \$10,391,205 | |
| CDBG: Mini-Entitlement | Housing Rehab | Min 51% low income | \$2,110,000 | |
| CDBG: Mini-Entitlement | CD Activities | Min 51% low income | \$7,890,000 | |
| CDBG: Economic Development Fund | Support Business Development | Min 51% low income | \$1,000,000 | |
| CDBG: Bridge Financing & Section 108 Loan Guarantee Program | | | Not a cash allocation | |
| CDBG: Massachusetts Downtown Initiative | Tech Assistance, Information and Workshops | Municipalities | \$75,000 | 30 municipalities |
| ESG | Shelter Operations, Services | 100% low income, Homeless Ind. & Fam. | \$2,588,744 | 6,000 |
| HOME (Total Allocation) | Production & Homebuyer Assistance | 100% low income with 60% and 50% bands | \$13,266,893 | 310 units |
| HOME: Multi-Family Rental | Rental Production | 100% below 60% & 50% AMI | \$11,944,204 | 290 units |
| HOME: Homebuyer Assistance - rehab/new construction for FTHB | Rehab/New Const - Ownership | 100% at/below 80% AMI | -0- | 0 units |
| HOME: Homebuyer Assistance - DP and closing costs (HOME ADDI) | Homebuyer Assistance | 100% at/below 80% AMI | No new funds-- plan to reallocate unused funds from prior HOME ADDI awards—up to \$200,000 | 20 households |
| HOPWA: Technical Assistance | TA to HIV/AIDS Housing Programs | N/A | \$197,121 | Capacity building and TA throughout Massachusetts |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|--|--|---|--|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| <i>Other Federal Resources</i> | | | | |
| DOE: WAP (Administered by DHCD) | Weatherization Repairs & Improvements | Low income households | Approximately \$5.14 million | 650 households |
| DOE: WAP – ARRA (Administered by DHCD) | Weatherization Repairs & Improvements | Low income households | Approximately \$125 million ARRA WAP grant began 4/1/2009 and ends 3/31/2012. | 17,000 households over the life of the three year ARRA WAP grant |
| HHS: CSBG (Administered by DHCD) | Anti-poverty & self-sufficiency programs | Low income individuals & households at or below 125% of FPL | \$17,344,113 | 285,000 households |
| HHS: HEARTWAP (Administered by DHCD) | Emergency Heating Repairs and Replacements | Low income households at or below 60% of SMI | \$12,000,000 | 12,000 households |
| HHS: LIHEAP (Administered by DHCD) | Fuel Assistance | Low income households at or below 60% of SMI | \$184,126,585 | 216,000 households |
| HUD: NSP2 (ARRA) Administered by Mass. Housing Investment Corp.) | Rental and Ownership Preservation | Low Income households at or below 50% AMI and Low Moderate Middle Income households up to 120% AMI | \$21,822,940 | 312 units |
| IRS: LIHTC (annual calendar year per capita authority) | New Rental Production and Preservation | 40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI | \$14,200,000 | 1,100 units |
| McKinney Act Program (only state administered balance of state continuum of care funds included. | Excluding ESG | Homeless | \$8,500,000 | 3,368 |
| McKinney Act Program: Shelter Plus Care | Rental Assistance (Excluding ESG) | Homeless & Disabled | \$3,400,000 (incl. in above) | |
| Section 202 | Elderly Rental Production | Low Income Elderly | Not yet available | Not yet available |
| Section 8 Rental Assistance (S8 RA) Administered by DHCD – Housing Choice Vouchers (HCV) | Rental Assistance (See Note) | ELI/Low Income Households | \$230,000,000 | 19,300 |
| S8 RA Special Voucher Programs | Rental Assistance | Various Special Needs (Listed Below) | | |
| S8 New Construction/Substantial Rehab (NC/SR) | Rental Assistance | Family/Elderly | \$25,800,000 | 1,887 |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|---------------------------------|--|--|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| S8 RA Special Voucher Program: FUP | Rental Assistance | DSS involved families in reunification | (Included in HCV) | 685 |
| S8 RA Veterans Housing Voucher Program (VHVP) | Rental Assistance | Disabled Veterans | (Included in HCV) | 92 |
| S8 RA Special Voucher Program: TBRA/AIDS | Rental Assistance | Disabled Persons with HIV/Aids | (Included in HCV) | 217 |
| S8 RA Special Voucher Program: HOP | Rental Assistance | Homeless Persons with Disabilities | (Included in HCV) | 345 |
| S8 RA Special Voucher Program: DSG | Rental Assistance | Disabled, non-Elderly Individuals | (Included in HCV) | 600 |
| S8 RA Special Voucher Program: MS | Rental Assistance | Disabled Households | (Included in HCV) | 275 |
| S8 RA Special Voucher Program: PBRA/AIDS | Rental Assistance | Persons living with HIV/AIDS | (Included in HCV) | 34 |
| S8 RA Special Voucher Program: VASH | Rental Assistance | Homeless veterans -- substance abuse or mental illness | \$736,000 | 205 |
| Section 8 Mod Rehab | Rental Assistance | ELI/Low Income Households | \$10,000,000 | 1,000 |
| Section 811 | Special Needs Rental Production | Persons with Disabilities | Not yet available | Not yet available |
| USDA Rural Development: Sec 502 Single Family Housing | Direct Loans for Homeownership | ELI/Low Income Rural Households | \$53,000,000 | \$53,000,000 |
| USDA Rural Development: Sec 502 Single Family Housing | Guaranteed Loans | Low Income Rural Households | \$10,000,000 | \$10,000,000 |
| USDA Rural Development: Sec 504 Single Family Housing | Repair Loans | ELI Elderly Rural Households | \$122,000,000 | \$122,000,000 |
| USDA Rural Development: Sec 504 Single Family Housing | Repair Grants | Non-Profits for Admin of Rehab Programs | \$134,000,000 | \$134,000,000 |
| USDA Rural Development: Sec 515 Multi Family Housing | Rental Housing | Existing Multi Family Housing | \$18,000,000 available nationally; competitive process | \$1,000,000 maximum/state for new Sec. 515 properties |

Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities

| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
|--|---|---|---|---|
| USDA Rural Development: Sec 538 Multi Family Housing | Rental Housing | Multi Family Guaranteed Loans in Rural Areas | \$129,000,000 available nationally; competitive process | No limit/state. Goal is one loan of \$2.4 million for 20-24 units |
| USDA Rural Development: Community Facilities Program | Essential Community Facilities | Community with a population of less than 20,000 | Approximately \$4,000,000 | Approximately \$4,000,000 |
| USDA Rural Development: Water & Waste Disposal Program | Public water and sewer systems | Community with a population of less than 10,000 | Approximately \$10,000,000 | Approximately \$10,000,000 |
| USDA Rural Development: Distance Learning Telemedicine Program | Telecommunications technologies | Community with a population of less than 10,000 | \$50,000 - \$500,000 | \$50,000 - \$500,000 |
| USDA Rural Development Business and Cooperative programs | Improve Economic Climate | Communities with a population of less than 50,000 | \$7,000,000 guaranteed loans and \$200,000 grant | \$7,000,000 |
| State & Other Resources | | | | |
| CEDAC: Pre-development | Tech Assistance to Create & Preserve Affordable Housing | Non-profit developed housing throughout the Commonwealth | | |
| CEDAC: Acquisition Loan Program | | Non-profit developed multi-family housing throughout the Commonwealth | | |
| DHCD: Affordable Housing Trust Fund | Production and Preservation of Rental & Ownership | Up to 110% AMI | \$35,000,000 | 2,187 total units 1,589 affordable |
| DHCD: AHVP | Rental Assistance | Low income, disabled, and under the age of sixty (60) | \$3,450,000 | 400 households |
| DHCD: Capital Improvement Preservation Fund | Preservation of Expiring Use Rental Developments | Households at/below 50% and 80% AMI | \$5,000,000 | 200 units |
| DHCD: Commercial Area Transit Node Housing Program | Production & Rehabilitation of Rental & Ownership | Individuals & Families at/below 80% AMI | \$1,000,000 | 36 units |
| DHCD: Community Based Housing | Production & Acquisition of Rental Housing | Individuals with Disabilities and Elders | \$5,000,000 | 36 units |
| DHCD: Community Development Action Grant | Economic Development | Public owned or managed projects | \$5,400,000 | 7 communities |
| DHCD: Chapter 707 - Department of Mental Health Rental Subsidy Program | Rental Assistance and Supportive Services | DMH Clients | \$6,000,000 | 1,200 |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|---|---|---|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| DHCD: Facilities Consolidation Fund | Production & Acquisition of Special Needs Housing | DMH/DDS clients | \$7,500,000 | 140 units |
| DHCD: Housing Innovations Fund | Production & Acquisition of Special Needs Housing | Very low income persons | \$6,000,000 | 300 units |
| DHCD: Housing Stabilization Fund | Rental & Ownership Production & Preservation | Low/mod households | \$12,000,000 | 325 units |
| DHCD: Local Initiative Program | New Production, Ownership & Rental | Low/mod households | Technical assistance provided | 260 units |
| DHCD: Local Housing Authority Transitional Housing Program | Transitional Housing and Services | Homeless families in DTA shelters | \$1,511,894 | 101 |
| DHCD: Local Housing Authority Housing First Program | Public Housing, case management and services | Homeless families in DTA shelters | \$312,080 | 45 |
| DHCD: LIHTC (annual authority per calendar year) | New Rental Production and Preservation | 40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI | \$10,000,000 | 575 nits (see IRS:LIHTC, also) |
| DHCD: Mixed Pop Service Coordination Program | Service Coordination | Young Disabled and Elderly Residents of C.667 Housing | \$350,000, plus PH admin | 20 LHAs 29 Communities Approx. 4,500 units 500 cases/mo. |
| DHCD: MRVP | Rental Assistance | Low/mod households | \$35,900,000 | Approximately 5,000 households |
| DHCD: Public Housing Administration | Public Housing Operations | Very low income households | \$62,500,000 | Approximately 50,000 units |
| DHCD: Public Housing - Modernization | Public Housing Improvements & Upgrades | Very low income households | \$90,000,000 | 550 projects |
| DHCD: Housing Consumer and Education Centers | Information, Education, Referral | Housing consumers and providers | \$1,500,000 | 58,954 |
| DHCD: Residential Assistance for Families in Transition | Homelessness Prevention | Families at risk of homelessness/50% AMI | \$260,000 | 110 |
| DHCD: Tenancy Preservation Program (total to TPP, incl. funds from MassHousing and other sources) | Homelessness Prevention | Persons with disabilities facing eviction | \$1,533,289 | 1,419 |
| DMH: Housing (administered by DHCD) | Special Needs Housing | DMH clients | Included in Public Housing Administration | 621 units |
| DDS: Supervised and Supportive Living Services (administered by DHCD) | Special Needs Housing | DDS Clients | Included in Public Housing Administration | Approx. 1,050 units |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|--|---|---|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| DOB: Regional Foreclosure Education Centers | Foreclosure Prevention | Homeowners in danger of foreclosure, prospective homebuyers | Estimate: \$800,000 for actual grant distribution (funded through mortgage licensing fees) | 3,000 clients |
| DHCD: Emergency Assistance Family Shelter | Family Shelters | Homeless Families | \$151,505,859 | 3,000 families per night |
| DHCD: Individual Homeless Shelter | Individual Shelters | Homeless Individuals | \$37,281,684 | 2,934 adults per night |
| DVS: Shelters | Homeless Veterans Housing | Homeless Veterans | Total DVS funding (homeless veterans programs): \$5,105,000 | Emergency Shelter capacity for approx 400 adults each night |
| DVS: Transitional Housing | Homeless Veterans Housing | Homeless Veterans | Total DVS funding (homeless veterans programs): \$5,105,000 | 400 Transitional units for single veterans |
| DVS: Permanent Housing | Homeless Veterans Housing | Homeless Veterans | Not yet available | Under review |
| Elder Affairs: Assisted Living | Assisted Living | Elders & Disabled Persons | N/A | 13,000 certified Assisted Living units |
| Elder Affairs: Supportive Senior Housing | Rental Senior & Disabled Housing | Elders & Disabled in Chap. 667 Public Housing | \$4,013,303 | 32 sites/4200 units |
| Elder Affairs: Congregate Housing | Rental Senior & Disabled Housing | Elders & Disabled in Ch 667 Public Housing | \$1,503,617 | 51 sites/1800 units |
| MassDOT: Transit Oriented Development | Pedestrian, Bicycling improvements, Housing, and Parking for TOD | TODs, Housing - 25% affordable, up to 80% AMI | Unknown | 12 projects, Round 3 in review |
| ICHH: Regional Networks | Homelessness Prevention | Homeless and At Risk of Homelessness Individuals and Families | \$3,500,000 | Completion of pilot phase for 8 Regional Networks and continued funding for 10 Networks |
| FHLB Boston: Affordable Housing Program | Gap Financing (Usually): Rental & Ownership | Low/mod households | 10% of the Bank's net earnings from the prior year. Forward looking data are not available. | Forward looking data are not available. |
| FHLB Boston: New England Fund | Rental & Ownership Production | 25% for Low/Mod Households | Program available, subject to market forces and demand. Forward looking data are not available. | Program available, subject to market forces and demand. Forward looking data are not available. |

Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities

| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
|--|--|--|---|---|
| FHLB Boston: Community Development Advances | Rental & Ownership Production; Economic Development; Mixed-Use | Residential and Economic Development: Up to 115% of Area Median Income depending on the activity | Program remains available; subject to market forces and demand. Forward looking data are not available. | Program remains available; subject to market forces and demand. Forward looking data are not available. |
| MassDEP (State Revolving Fund): Clean Water SRF | Infrastructure | Municipalities & Wastewater Districts | \$400,000,000 | 40-50 projects |
| MassDEP (State Revolving Fund): Drinking Water SRF | Infrastructure | Public Water Suppliers | \$130,000,000 | 30-40 projects |
| MassDevelopment: Brownfields Redevelopment Fund - Site Assessment | Site assessment | | \$924,000 | 1,162 units |
| MassDevelopment: Brownfields Redevelopment Fund - Remediation | Remediation | | \$2,652,000 | 250 units |
| MassDevelopment: Tax-exempt Affordable Rental Housing Production | Rental Housing Production | 20% @ 50% AMI or 40% @ 60% AMI | \$86,000,000 | 671 units |
| MassDevelopment: Tax-exempt Affordable Rental Housing Preservation | Rental Housing Preservation | 20% @ 50% AMI or 40% @ 60% AMI | \$135,000,000 | 1,255 units |
| MassHousing: Rental Lending -- New Production | Rental Housing Production | Low/Mod/Market households | \$18,180,285 | 210 units in 4 developments |
| MassHousing: Rental Lending -- Preservation | Rental Housing Preservation | Low and Mod households | \$399,783,033 | 3416 units in 26 developments |
| MassHousing: Priority Development Fund | Rental Housing Development | Gap filler financing for MassHousing-financed developments | \$5,200,000 | 343 units in 3 developments (of these, 268 units in 2 developments will also receive production and preservation funds, and are included in the totals for those programs.) |
| MassHousing: Home Ownership Mortgage Products | Homeownership | 80% of loans made at < 80% AMI; 20% at 80-135% AMI | \$475,000,000 | 2,100 loans |
| MassHousing: Home Improvement Mortgage Products | Home repairs, including lead paint abatement | 100% AMI and below | \$5,000,000 | 250 loans |
| MassHousing: Center for Community Recovery Innovations (CCRI) | Rental Housing Production/Preservation | Creation and preservation of Sober Housing | \$700,000 | 155 units |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|---|---|--|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| MassHousing: Mortgage Insurance for Non-MassHousing Financed Home Mortgages | Homeownership | Eligible buyers with less than 20% downpayment | \$20,000,000 | 100 loans insured |
| MassHousing: Portfolio Management | Rental Housing Preservation | 69% low-income; 12% moderate-income; 18% market | | 102,505 rental units and 137 homeownership units in 946 developments |
| MassHousing: Critical Capital Needs Loan Program | Rental Housing Preservation | Low/moderate income households | \$1,790,275 | Proposed work includes heating systems, roofs, elevators, windows, exterior painting, etc. |
| MassHousing: 504/ADA Loan Program | Rental Housing Preservation | Funding for accessibility improvements to low/mod households | \$209,725 | Make fully accessible two 2-bdrm units, three 3-bdrm units, and two common area laundry rooms |
| MHP: Permanent Financing | Rental Housing Production & Preservation | Low/mod households | \$80,000,000 | 1,700 housing units (new and preserved), with 800 to 900 affordable to households at 60% AMI or less |
| MHP: Technical Assistance | Technical Assistance | Housing Authorities and Municipalities | \$200,000 | 20 total: communities and housing authorities |
| MHP: Chapter 40B Technical Assistance | Technical Assistance | Municipalities | \$100,000 | 10 contracts |
| MHP: Soft Second Loan | Homeownership | Low/mod FTHB | \$5,500,000 | 1,100 loans |
| MHP: Production Capacity Grants | Rental & ownership affordable production by nonprofits | Nonprofit Developers | \$225,000 | 14 organizations |
| MHP: Neighborhood Rental Initiative | To increase supply of affordable housing for low-income residents in high-opportunity communities. | Either 40% of units eligible at 60% of area median income or 20% at 50% AMI | \$4,875,000 in subordinate debt committed plus PRFP first mortgage debt estimated at \$5,000,000 | Six projects totaling 73 units |
| MHP: HomeFunders, Permanent Financing | To increase # of ELI Units in MHP Rental Production | 100% low income, 20% ELI | \$2,050,000 in HomeFunders dollars committed | Est. 183 units of which about 41 for households earning <30% AMI |
| MHP: Neighborhood Stabilization Loan Fund | To provide financing for acquisition and rehab of foreclosed properties in distressed neighborhoods | Mixed income, both market and affordable | \$7.8 million committed or expected by end of FFY; cumulative total: \$15.67 million | 238 units in 75 buildings, bringing the cumulative total under MHP NSLF to 545 units in 176 buildings |

| Table 5: Summary of Projected FY 2011 Housing and Community Development Resources and Activities | | | | |
|---|--------------------|--|--|---|
| Funding Source & Program | Use | Target Population | Expected Level of Funding FY 2011 | Expected Level of Activity FY 2011 |
| MRC: Home Modification Loan Program | Home Modifications | Individuals/Families with Disabilities | \$4,000,000 | 180 loans |
| Home Funders: Predevelopment & Acquisition Loans (CEDAC) | Rental Production | 100% low income, 25% ELI | | |
| Note - Includes 7 special set asides for special populations, but does not include units administered by the state's local housing authorities. In total, more than 71,000 MA households receive Section 8 Housing Choice Rental Vouchers. In addition, the rents of tenants in more than 60,000 units of subsidized housing are supported by Section 8 project based rental subsidies. | | | | |

CONSOLIDATED PLAN COVERED PROGRAMS

The Role of the Consolidated Plan Resources

HOME, CDBG, ESG, and HOPWA funds are important resources for the Commonwealth in the execution of its housing and community development agenda. CDBG, in particular, is the State's major resource to address the needs of its non-entitlement communities, all of which are facing fiscal constraints. Many of these communities have also been hard hit by foreclosures and job layoffs. Fifteen non-entitlement communities are among those identified as having the highest need of assistance through the Neighborhood Stabilization Program. In addition to supporting a broad range of infrastructure, accessibility and community development projects, the Massachusetts CDBG (Small Cities) Program facilitates small business development through support of regional, revolving loan funds, and the retention or expansion of existing businesses. Its housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods.

HOME remains the workhorse in the State's stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state's affordable rental inventory, identified as a priority need. In the past five years, HOME has funded between 300 and 400 units annually; close to 345 additional units are projected for FY 2011.

ESG and HOPWA are also important resources, each contributing to the challenge of combating homelessness and providing decent housing for at-risk populations. Under the HEARTH Act, the Emergency Shelter Grant was renamed the Emergency Solutions Grant to reflect its focus on moving people beyond homelessness, a strategy consistent with the State's new approach to combating homelessness. Both the Consolidated Plan and this FY 2011 Action Plan are consistent with the Commonwealth's Continuum of Care Plan.¹

A description of the programmatic initiatives being proposed for FY 2011 regarding the four covered programs is provided below. Please see **Appendix B** for program specific requirements.

Community Development Block Grant (CDBG)

Administered by the Department of Housing and Community Development, the Massachusetts Community Development Block Grant program provides federal funds on a competitive basis to municipalities that have populations under 50,000 that are not designated as HUD entitlement communities. Communities may apply for funding for a variety of projects including the rehabilitation/stabilization of housing stock, improvements to aging infrastructure, stabilization of neighborhoods, and assistance to small businesses for job creation. The Massachusetts CDBG Program allows communities to undertake the entire range of eligible activities as authorized by Title I of the Housing and Community Development Act of 1974, as amended. DHCD is requiring all applicants to target their resources in a comprehensive, integrated manner consistent with the Commonwealth's sustainable development principles. The Program is divided into three separate components, with each serving a different purpose or level of need. In federal FY 2011, the Massachusetts CDBG Program will receive an estimated \$30,500,000 from HUD. Based on past demand, approximately 42 percent of this amount will be allocated to support the rehabilitation of 500 affordable housing units through the Community Development Fund (CDF) and Mini-Entitlement components of the CDBG Program.

- The Community Development Fund (CDF), representing the bulk of the state's CDBG allocation, will be distributed through an annual competitive application process. Access and competitiveness within CDF are

¹ The Commonwealth submits 22 separate Continuum of Care plans. The so-called "Balance of State Plan" summarizes the needs, objectives, priorities, and resources for the entire state. It may be obtained by contacting DHCD.

affected by an assigned Community Wide Needs score, which is calculated by DHCD for all eligible communities (non-entitlement). CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. The fund is divided into two parts for purposes of allocation: CDF I (\$14,618,676 available) is for communities with high needs as defined by a statistical formula; CDF II (\$2,700,000 available) is for communities with more moderate needs.

- Mini-Entitlement Grants are specifically targeted to municipalities that meet the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7%; and, (3) population over 12,000. Through the Mini-Entitlement program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services in identified target areas. The program supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems. In FY 2011, 10 municipalities have been designated as Mini-Entitlements eligible to receive up to \$1,000,000 each.
- The Economic Development Fund (EDF) provides assistance to communities focused on community economic development - retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF gives priority to assistance for physical improvements in support of economic development and job creation/retention.

EDF will offer assistance to directly support physical improvements to downtown or commercial center areas, particularly, rehabilitation of, or conversion to, affordable and workforce housing units located in downtown or commercial center areas. Other physical improvement projects must be located in downtown/commercial center areas, with emphasis on mixed-use development. EDF will also fund planning studies within certain limitations.

In FY 2011, \$1,000,000 (including \$200,000 from program income) will be available for the Economic Development Fund.

Geographic Distribution of Funds for CDBG

CDBG resources are available to HUD non-entitlement communities. The HUD entitlement communities in Massachusetts are:

| | | | |
|------------|------------|-------------|-------------|
| Arlington | Framingham | New Bedford | Springfield |
| Attleboro | Gloucester | Newton | Taunton |
| Barnstable | Haverhill | Northampton | Waltham |
| Boston | Holyoke | Peabody | Westfield |
| Brockton | Lawrence | Pittsfield | Weymouth |
| Brookline | Leominster | Plymouth | Worcester |
| Cambridge | Lowell | Quincy | Yarmouth |
| Chicopee | Lynn | Revere | |
| Fall River | Malden | Salem | |
| Fitchburg | Medford | Somerville | |

HOME Investment Partnerships Act (HOME)

HOME remains the workhorse in the State's stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state's affordable rental inventory, identified as a priority need. In the past program year HOME funded approximately 360 units. Approximately 310 additional HOME units are projected for FY 2011, including units from reallocated downpayment and closing cost assistance.

DHCD will administer two HOME programs in FY 2011: a multi-family rental housing program and one homebuyer assistance programs:

- ***Multi-Family Rental Housing Loans (Expected FY 2011 Funding: \$11,940,204)***

DHCD expects to commit approximately \$11.9 million to rehabilitate or newly construct a minimum of 290 HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 to \$1,000,000 is awarded to a project.

DHCD may make up to \$2 million available on a rolling basis to organizations seeking to preserve or create housing for homeless families and/or individuals.

- ***Homebuyer Assistance (Expected FY 2011 Funding: n/a.)***

DHCD does not expect to award project-based homebuyer funds in FY 2011 to construct or rehabilitate homes for sale to eligible first-time homebuyers. The demonstrated high demand for rental housing, along with the continued slow homebuyer market, has prompted us to plan to direct the coming year's HOME resources towards rental housing.

DHCD may reallocate unused portions of prior downpayment and closing costs assistance awards. This amount would be up to \$200,000 and we would issue a NOFA and award these HOME purchaser-based homeownership funds to qualified subrecipients with demonstrated demand. Funds can only be used to provide assistance to enable low-income renters with household incomes at or below 80 percent of the area median to purchase their first home. HOME awards will be made to administering agencies who will make loans to approximately 20 eligible buyers. A maximum of \$10,000 is awarded to eligible first-time homebuyers.

Geographic Distribution of Funds for HOME

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD will competitively award HOME funds for purchaser-based ownership and rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

HUD entitlement communities and some consortia member communities are listed above under "Geographic Distribution of Funds for CDBG." HOME consortia include the Barnstable County Consortium, North Suburban Consortium, Fitchburg-Leominster Consortium, Holyoke-Chicopee-Westfield Consortium, Metrowest Consortium, Quincy Consortium, the Greater Attleborough/Taunton HOME Consortium, and the North Shore (Peabody) Consortium.

Additional information about the state's use of HOME funds is available in Appendix B. Further information can be obtained by calling DHCD's Division of Housing Development at (617) 573-1300.

Emergency Shelter Grant (ESG)

The Emergency Shelter Grant Program (ESG) funds eligible activities designed to prevent homelessness, support basic shelter operations and provide essential supportive services for homeless individuals and families specifically geared to rehousing.

Massachusetts has used ESG funds to expand shelter capacity and enhance the availability of services for homeless individuals and families, serving approximately 6,000 individuals and families in each of the last several years. The FY 2011 ESG award of \$2,588,744 is expected to serve a similar number. Allocated through a competitive procurement, these funds support:

- emergency shelter operations by providing funding for overflow beds for which there is a demand but no current funding source;
- case management and other services for homeless families and individuals to assist them in moving more quickly from shelter to housing; and,
- homelessness prevention and diversion programs through which families and individuals who would otherwise need to enter shelter are provided with intervention and/or relocation services.

A new competitive procurement was issued in July, 2010, for distribution of the Emergency Shelter Grant funds, as a result of which DHCD awarded 44 contracts. DHCD plans to continue to conduct periodic procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders within the Request for Response (RFR) issuance. If additional or unexpended funds become available during the procurement period, they may be awarded on an emergency basis for emergency shelter when sufficient emergency shelter capacity is not available, such as for overflow beds.

Geographic Distribution of Funds for the ESG Program

ESG funds are provided directly by HUD to ESG entitlement communities in Massachusetts. These communities are:

| | | |
|------------|-------------|-------------|
| Boston | Lynn | Somerville |
| Cambridge | New Bedford | Springfield |
| Fall River | Newton | Worcester |
| Lowell | Quincy | |

DHCD receives non-entitlement ESG funds which it allocates to non-HUD ESG entitlement communities, as well as to high need areas, which may include ESG entitlement communities, if they are selected in accordance with the specific terms of the ESG procurement.

Housing Opportunities for Persons with AIDS (HOPWA) Program

The Massachusetts Department of Public Health (MDPH) HIV/AIDS Bureau is responsible for the administration of “balance of state” HOPWA funds. In FFY 2011, the state will receive \$197,121 as a formula grantee. MDPH will fund technical assistance services for HIV/AIDS housing providers statewide and one permanent housing program in southeastern Massachusetts.

Further information regarding HOPWA is provided in Appendix B of this document. Additional information about the state’s use of state HOPWA funds can also be obtained by calling the Massachusetts Department of Public Health HIV/AIDS Bureau at (617) 624-5330.

Geographic Distribution of Funds for the HOPWA Programs

Although state HOPWA funds can be used in any area of the state, MDPH prioritizes the use of these resources for programs which are geographically located outside the other six HOPWA Eligible Metropolitan Statistical Areas (EMSAs). AIDS Housing Corporation provides technical assistance services statewide. The other funded special projects are located in Topsfield, MA and Cambridge, MA.

Outcome Performance Measurement System

HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on the activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate the data at the national, state, and local level. The outcome measures framework contained herein will supplement the measurements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments; 2) provide decent housing; and, 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility; 2) affordability; and, 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements. An applicant may select additional Outcome Statements if it believes them to be applicable to its proposed activities.

The system will not change the nature of the program or its regulations. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only

report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a “made available basis;”
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

Finally, the applicant will report on several other indicators, required as applicable for each activity type. These will be detailed in each program application, reporting forms and/or accounting and grants management software.

Ninety days after the close of the state’s HUD program year (April 1 through March 31), the Commonwealth submits the annual Performance Evaluation Reports (PERs) for the programs covered by the Consolidated Plan; the PERs for 2010 are due June 30, 2011.

Monitoring

DHCD and EOHHS/DPH recognize and fulfill the monitoring requirements of the four grant programs included in this plan. Monitoring activities are conducted in accordance with the HUD regulations for each program, and may include the following:

1. explanation of grant contract requirements and deadlines to all grantees;
2. desk reviews and/or field visits as warranted to monitor work in progress and completed projects;
3. monitoring may also provide an excellent opportunity to explore local community development strategies and possibilities and place HUD assistance in a broader context for local officials.
4. telephone, field visit, or office conference assistance to grantees upon request, or if the agency has identified concerns as a result of a field visit or other technical assistance effort;
5. detailed explanation of ways to improve grant administration procedures should a grantee be having difficulty in meeting contract conditions;
6. ongoing consultation with HUD CPD regional office regarding program status, regulatory and reporting requirements, possible changes in program design, etc.; and,
7. suspension of grant activities where warranted.

CDBG

The CDBG program holds yearly workshops for applicants to describe the program's aims and requirements, and will be offering additional training in CDBG-related topics. Both CDBG and HOME hold sessions with grantees each year to review all contract conditions, requirements, procedures for requesting payment, etc. CDBG also requires quarterly reports and year-end audits to track activity and progress, and has developed a monitoring system that allows a representative CDBG staff person comprehensive knowledge of all funded activities in any one community. The aim of this effort is to assure the consistent application of program standards and requirements.

Massachusetts CDBG operational goals include: program and project monitoring for progress, program compliance, fiscal management, and fiscal compliance. This process includes ongoing planning, implementation, communication and follow-up between DHCD and its grantees.

The monitoring protocol considers internal controls and processes, use and maintenance of databases, and the grant application review cycle. Each of these procedures provides DHCD and grantees with a set of assessment tools for a compliance check.

The Massachusetts CDBG staff includes a Senior Program Representative with responsibility for monitoring coordination. Monitoring incorporates field visits and desktop reviews that consider progress indicators and submission requirements. Mass. CDBG identifies and completes a risk analysis of all active grantees. This risk analysis assigns a monitoring priority ranking to a grantee. Based upon the assigned priority, staff develops a monitoring plan. The risk rating system is as follows:

- High Priority - Change in key personnel or a change in findings, repeat findings; questioned or disallowed costs; incorrect/incomplete or late quarterly audit or status of funds reports, no subsequent year's funding, long interval since last monitoring.
- Medium Priority - Change in key personnel or incorrect/incomplete or late quarterly, audit or status of funds reports.
- Low Priority - Good/consistent management for prior 2-years; no findings; accurate, complete, timely reports.

DHCD also considers a variety of other indicators that can affect the priority score. Examples of factors that will increase a grantee's monitoring priority include status as a new grantee to Massachusetts CDBG; high risk/complex projects (such as economic development); and multiple projects/multiple grants. Following consultation with HUD, DHCD recently modified the risk assessment systems to capture all grantees that have gone unmonitored within the past two years and single-year recipients.

The tools that DHCD uses to monitor are project checklists, desktop reviews, and quarterly reports. Letters outlining findings, corrective actions and/or recommended changes are sent to a municipality's chief elected official in addition to grantee staff.

DHCD standard operating procedures include training and technical assistance to assure effective program implementation and prevent monitoring findings. Massachusetts CDBG staff makes several on-site visits during the program year to provide technical assistance and pre-monitor projects.

ESG

As part of DHCD's competitive procurement process, all providers are required to read the ESG desk guide. After service providers are identified through the competitive procurement process, DHCD works with HUD, if needed, to ensure that additional training is provided to all ESG contracted providers. The purpose of all training is to ensure that each non-profit organization utilizing ESG funds understands the fiscal and programmatic requirements of the program. Additional training is provided on the fiscal and programmatic contract requirements through language incorporated by DHCD in its ESG contracts.

DHCD requires each ESG contractor to submit two programmatic reports each year. Each report contains the demographic and performance data that HUD requires to be reported through IDIS (HUD's data collection, performance monitoring, and fiscal monitoring MIS for the ESG Program). In addition, DHCD requires each of its ESG contractors to participate in HMIS.

DHCD concurrently tracks ESG obligations and expenditures through the state's MMARS system, which is managed by the Office of the State Comptroller and records payments of state funds to ESG contractors authorized by DHCD or other state agencies. MMARS provides documentation of expenditures of state funds awarded to ESG contractors and ensures accurate reconciliation of reimbursement of expenditures with federal funds.

DHCD conducts regular desk reviews of each program twice a year and, when indicated, on-site reviews at each of the contracted sites.

HOME

DHCD will continue to contract with an outside agency to provide monitoring services and technical support to the HOME Program. Under the contract, the consulting agent is required to provide an annual report summarizing its monitoring and other activities.

The primary activity under the contract is the monitoring of recipients who have received funding from DHCD's HOME Program to undertake eligible housing activities. The purpose of the monitoring is to determine if the recipient is implementing the activities in compliance with the HOME regulations and its contractual agreement with DHCD. While regulatory compliance is the primary emphasis, the monitoring also looks for sound management practices and record keeping, so we can assess and encourage the financial and physical health of the asset. Further, the visit is an opportunity for the monitor to sit with site staff and train on the program. The monitoring contractor, as well as DHCD, remains available thereafter to respond to HOME questions.

On a periodic basis, DHCD provides the list of sites for review. DHCD selects those project sites that have completed construction and are entering occupancy for a development review, as well as program administrators (local governments and not-for-profits) who are due for a review. For each recipient that is subject to an onsite monitoring review, the agent schedules and conducts an onsite interview of key program staff, reviews program files and inspects the property, including a sample of units. The results of the visit are compiled and submitted to DHCD in a draft monitoring letter, offering findings of non-compliance as well as matters of advice to the recipient. DHCD issues the letter and receives responses from the grantee. Additionally, the agent conducts onsite monitoring reviews biennially on rental projects with fewer than 26 units and annually for those with 26 or more units. For years not subject to an onsite visit, a desk review is performed to analyze rent charges, income levels, recertification dates and frequency of HQS inspections.

In addition, the agent supports the HOME Program through program advice on compliance questions and annual occupancy trainings. Because of state legislation, DHCD now requires HOME developers/owners to report

beneficiary data on an annual basis through a web-based tool. This enhances performance measurement efforts and facilitates compliance with state fair housing legislation.

HOPWA

The HOPWA monitoring protocol includes:

1. The CMAR (Contract Monitoring and Assessment Report)

Submitted two times a year, the CMAR is a reporting mechanism required of all housing programs funded by the HIV/AIDS Bureau. It gathers various types of information including demographics on the people served, service delivery data, goals and outcomes, composition and training of the staff; and narratives about the program's work.

2. Site visits

Annual site visits are required. Site visits are frequently conducted more often than once a year. Topics covered in site visits typically include: physical inspection of the facility; meetings with the staff members; meetings with residents; random inspection and review of residents' folders, not only to ensure eligibility requirements are being met, but also that case management activities are appropriate and completed in a timely manner; and a review of items such as house rules, TB screening policy, and universal precautions.

3. Standards of Care

The AIDS Bureau has published its *Standards of Care: Supportive Housing for Persons Living with HIV/AIDS in Massachusetts*. Compliance with these standards is required of all HIV/AIDS housing programs funded by the HIV/AIDS Bureau of MDPH. Each funded agency is required to undergo a self-evaluation process that includes the participation of its residents (consumers) and a peer agency; the process is facilitated by a third agency contracted by the HIV/AIDS Bureau to provide such specialized technical assistance. The results and recommendations of this process are submitted to the HIV/AIDS Bureau and are used not only for quality assurance, but also for ongoing monitoring to improve, where needed, compliance with the standards of care.

Table 6: HUD Table 2C/3A: Summary of Specific Annual and Multi-Year Goals

| Specific Obj. # | Outcome/Objective | Sources of Funds | Performance Indicators | Program Year | Expected Number | Actual Number | Percent Completed |
|-----------------|--|------------------|--|---|---|---------------|-------------------|
| | Specific Objectives | | | | | | |
| DH-1 | Decent Housing with Purpose of New or Improved Availability/Accessibility | | | | | | |
| DH-1.1 | Distribute funds broadly, including urban (60%), suburban (35%), and rural (5%) | 1. HOME | 1 & 2. Units created, occupied, and reported in IDIS. HOME funds committed and expended in IDIS. | 2010 | 448 | Not avail. | |
| DH-1.2 | Provide housing for special populations: homeless (5%); special needs (3%); elderly (20%) | | | | 3. Units of affordable housing produced | 2011 | 416 |
| DH-1.3 | Housing production under CDBG/EDF (2010 – 9; 2011-2014 –12/yr.) | 2. HOME | | 2012 | | 434 | |
| | | | | 2013 | 456 | | |
| | | 3. CDBG | | 2014 | 482 | | |
| | | MULTI-YEAR GOAL | | | 2,236 | | |
| DH-2 | Decent Housing with Purpose of New or Improved Affordability | | | | | | |
| DH-2.1 | Create affordable units (with 80% of expenditures – 295 units) | 1. HOME | 1-5: Units created, occupied, and reported in IDIS. HOME funds committed and expended in IDIS. | 2010 | 715 | Not available | |
| DH-2.2 | Preserve affordable units (with 20% of expenditures – 30 units) | | | 6 Downpayment assistance and counseling to LMI households | 2011 | 688 | |
| | | 2. HOME | 2012 | | 715 | | |
| DH-2.3 | Create/preserve rental units for households at or below 30% AMI (min. 10% of units -33) | | | 2013 | 758 | | |
| DH-2.4 | Create or preserve rental units for households at/below 60% AMI (95% of units created/preserved each year – 325 units) | 3. HOME | | 2014 | 805 | | |
| | | 4. HOME | | | | | |
| DH-2.5 | Create ownership opportunities for house-holds at/below 80% AMI (5% of total units – up to 20 units) | 5. HOME | | | | | |
| DH-2.6 | Homebuyer assistance (2010 – 12 units; 2011 – 2014 20 units/yr.) | 6. CDBG | | | | | |
| | | MULTI-YEAR GOAL | | | 3,681 | | |

| Specific Obj. # | Outcome/Objective | Sources of Funds | Performance Indicators | Program Year | Expected Number | Actual Number | Percent Completed |
|-----------------|---|------------------|---|--------------|-----------------|---------------|-------------------|
| | Specific Objectives | | | | | | |
| DH-3 | Decent Housing with Purpose of New or Improved Sustainability | | | | | | |
| DH-3.1 | 100% of newly constructed units will meet Energy Star standards | 1. HOME | 1. Energy Star status verified and reported in IDIS. | 2010 | 1,170 | Not Avail. | |
| DH-3.2 | 100% of new rental units (production and preservation) will incorporate green design | 2. HOME | 2. Program design guidelines will require completion of green design exhibits and will be reviewed/assessed prior to construction | 2011 | 1,220 | | |
| DH-3.3 | Housing rehabilitation | 3. CDBG | 3. Number of units rehabbed | 2012 | 1,240 | | |
| | | | | 2013 | 1,265 | | |
| | | | | 2014 | 1,290 | | |
| | | | MULTI-YEAR GOAL | | 6,185 | | |
| SL-1 | Suitable Living Environment with Purpose of New or Improved Availability/Accessibility | | | | | | |
| SL-1.1 | Architectural Barrier Removal | 1. CDBG | Number of persons for whom access is improved or provided | 2010 | 10,400 | NA | |
| SL-1.2 | Public Social Services | 2. CDBG | | 2011 | 10,080 | | |
| | | | | 2012 | 10,080 | | |
| | | | | 2013 | 10,080 | | |
| | | | | 2014 | 10,080 | | |
| | | | MULTI-YEAR GOAL | | 50,720 | | |
| SL-3 | Suitable Living Environment with Purpose of New or Improved Sustainability | | | | | | |
| SL-3.1 | Infrastructure and Public Facility Improvements | 1. CDBG | 1. Number of households assisted | 2010 | 46,000 | NA | |
| SL-3.2 | Public Social Services | 2. CDBG | 2. Number of persons with new or continuing access to a service | 2011 | 38,650 | | |
| | | | | 2012 | 38,650 | | |
| | | | | 2013 | 38,650 | | |
| | | | | 2014 | 38,650 | | |
| | | | MULTI-YEAR GOAL | | 200,600 | | |
| EO-1 | Economic Opportunity with Purpose of New or Improved Availability/Accessibility | | | | | | |
| EO-1.1 | Public Social Services | CDBG | Number of persons with new or continuing access to a service | 2010 | 830 | NA | |
| | | | | 2011 | 760 | | |
| | | | | 2012 | 760 | | |
| | | | | 2013 | 760 | | |
| | | | | 2014 | 760 | | |
| | | | MULTI-YEAR GOAL | | 3,870 | | |

FY 2011 HUD Action Plan

| Specific Obj. # | Outcome/Objective | Sources of Funds | Performance Indicators | Program Year | Expected Number | Actual Number | Percent Completed |
|-------------------------------|--|------------------|--------------------------------|--------------|-----------------|---------------|-------------------|
| | Specific Objectives | | | | | | |
| CR-1 Community Revitalization | | | | | | | |
| CR-1.1 | Downtown Revitalization Assistance through the Massachusetts Downtown Initiative | CDBG | Number of communities assisted | 2010 | 30 | NA | |
| | | | | 2011 | 30 | | |
| | | | | 2012 | 30 | | |
| | | | | 2013 | 30 | | |
| | | | | 2014 | 30 | | |
| | | MULTI-YEAR GOAL | | 150 | | | |

| Table 7: (HUD Table 3B): Annual Housing Completion Goals | | | Resources used during the period | | | |
|--|---|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Grantee Name: Massachusetts | Expected Annual Number of Units To Be Completed | Actual Annual Number of Units Completed | CDBG | HOME | ESG | HOPWA |
| Program Year: 2011 | | | | | | |
| ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215) | | | | | | |
| Acquisition of existing units | | | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> |
| Production of new units | 270 (9 CDBG + 261 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> |
| Rehabilitation of existing units | 79 (50 CDBG+ 29 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rental Assistance | | | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> |
| Total Sec. 215 Affordable Rental | 349 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215) | | | | | | |
| Acquisition of existing units | | | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Production of new units | 5 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| Rehabilitation of existing units | 500 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |
| Homebuyer Assistance | 32 (12 CDBG + 20 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> |
| Total Sec. 215 Affordable Owner | 537 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215) | | | | | | |
| Acquisition of existing units | | | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> |
| Production of new units | 275 (14 CDBG + 261 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> |
| Rehabilitation of existing units | 579 (550 CDBG + 29 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Homebuyer Assistance | 32 (12 CDBG + 20 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> |
| Total Sec. 215 Affordable Housing | 886 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ANNUAL AFFORDABLE HOUSING GOALS (SEC.215) | | | | | | |
| Homeless households | 33 (20 CDBG + 13 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ...Non-homeless households | 799 (502 CDBG + 297 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ...Special needs households | 24 (15 CDBG + 9 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ANNUAL HOUSING GOALS | | | | | | |
| Annual Rental Housing Goal | 349 (59 CDBG + 290 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Annual Owner Housing Goal | 537 (517 CDBG + 20 HOME) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Total Annual Housing Goal | 886 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Additional 2011 Resources, Initiatives and Expected Level of Activity

Dozens of programs and activities are carried out in addition to those covered by the FY 2011 Action Plan that support the state's six broad housing and community development objectives. Detailed program criteria and guidelines are available in DHCD's program fact sheets, available on line at www.mass.gov/dhcd, or from the administering agency. A summary of all available resources is provided in matrix form in **Table 5**, which illustrates the funding and activities the Commonwealth will marshal to create and preserve an adequate supply of housing; to expand homeownership; reduce homelessness; reduce foreclosures and ensure that foreclosures do not destabilize neighborhoods; ensure that persons with special needs have access to appropriate services and accessible housing; and to enhance the prosperity and economic competitiveness of all regions, compatible with community and environment.

Among the resources outlined in Table 5, there are two that contribute significantly to the commonwealth's affordable housing stock: the Low Income Housing Tax Credits, and the state's public housing portfolio.

Low Income Housing Tax Credit Use

In Massachusetts, DHCD is the tax credit allocating agency, through the Division of Housing Development. The Division also oversees approximately \$95 million annually in other federal and state affordable housing programs, including the federal HOME program, ensuring a coordinated approach to resource allocation.

A complete description of the LIHTC program can be found in the 2010-2014 Consolidated Plan. The Qualified Allocation Plan (QAP), which establishes the priorities and policies under which the commonwealth distributes tax credit funds, is available on the DHCD website: <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/2010qap.pdf>.

Public Housing

While no Massachusetts state agency administers federal public housing funds, DHCD does oversee and fund a portfolio of approximately 50,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs). Within DHCD, the Bureau of Housing Management provides both fiscal and management oversight of the LHAs. The bulk of the state's public housing was built between 1948 and the late 1980's, and in the 1990's to 2007, suffered from chronic underfunding and neglect. The Patrick Administration is in the process of reversing the effects of that neglect, and for FY2011 has committed approximately \$90 million to improving and upgrading public housing stock.

A complete description of the public housing initiatives, including the Moving to Work (MTW) Program undertaken by DHCD is in the 2010-2014 Consolidated Plan. The MTW plan is available at <http://www.mass.gov/Ehed/docs/dhcd/ph/mtw/2010mtw-plan.doc>.

Institutional Structure and Coordination

The overall institutional structure and coordination is detailed in Section 4 of the 2010-2014 Consolidated Plan. The 2011 Action Plan reflects the continuing cooperative participation of the many state agencies, municipalities, and non-profit housing and service providers whose efforts are essential to its success.

Implementation of the One Year Plan is carried out by dozens of state agencies, departments, and quasi-public entities, working in concert with a network of for-profit and non-profit service providers and developers and the 351 cities and towns of the Commonwealth of Massachusetts.

Initiatives to Overcome Gaps in the Delivery System

Some fundamental aspects of the structure of state and local government will continue to pose challenges, as discussed in the section on Barriers to Affordable Housing in the 2010-2014 Consolidated Plan. Massachusetts is a home rule state, and most government activity is localized in its 351 cities and towns, 60 percent of which have fewer than 10,000 residents, including one-third with fewer than 5,000 residents. Many small towns cannot afford to have professional community development and planning staff, and this lack of capacity makes the efficient delivery programs and services challenging. The State establishes uniform building standards and safety codes and establishes the framework for local zoning and subdivision control laws; implementation and enforcement, however, rests with the municipalities. The manner in which localities interpret and exercise them influences what gets built and where. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

To overcome these gaps and challenges, EOHED and DHCD encourage regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will also continue to provide technical assistance and training for municipal officials to increase local capacity.

Also, DHCD will continue to improve its outreach, information dissemination, and partnerships with and among all of its constituencies. The 2010-2014 consolidated planning process typified some of the improvements, for example, greater use of the internet for notices of grant availability, program descriptions, guidance and technical assistance, useful demographic and economic information in a user friendly format, and regulatory changes.

Fundamental aspects of the structure of state and local government which is composed of 351 municipalities – will continue to pose challenges, which the state will seek to address through outreach, technical assistance, incentives, and cooperation. Making the best use of the institutional structure where it is strong and strengthening it where it is weak, the state will continue pursuing its housing and community development plan.

Appendix A: Citizen Participation and Comments

Public Comment Period: January 3, 2011 – February 7, 2011

Public Hearings: January 25, 2011, 1:00 PM – 2:00 PM
Department of Housing and Community Development
100 Cambridge St.
2nd Floor, Conference Room B
Boston, MA 02114

January 28, 2011, 11:00 AM – 12:00 PM
West Springfield Municipal Office Building Auditorium
26 Central St.
West Springfield, MA 01089

Boston Public Hearing

Attendees:

Anna Nalevanko, Town of Middleborough
Larry Gottlieb, Eliot Community Services
Robin Sherman, Franklin County Regional Housing Redevelopment Authority
Ruth Garvey, Bay Cove Human Services
Robert Fultz, Town of Hull
Kim Smith-Cofield, Community Action Agency of Somerville
Steve Hart, Worcester East Side Community Development Corporation

West Springfield Public Hearing

Attendees:

Jerry Ray, Mental Health Association, Inc.
Joseph LaPlante, Town of West Springfield
Corrine Wingard, Town of Agawam CPA Committee
Jacquelyn Burgin, Hilltown Community Development Corporation
Paul Hills, Town of Ware
Judi Mosso, Town of Ware
Audrey Higbee, Center for Human Development

Written Comments/Testimony Received

State Representative Stephen Kulik (First Franklin District)
Quaboag Valley CDC and Business Assistance Center
The Towns of Becket, Chesterfield, Peru, Plainfield and Worthington (individually)
Hilltown Community Development Corporation
Pioneer Valley Planning Commission (PVPC)
MA Association of Community Development Corporations (MACDC)
Barnstable County HOME Consortium
Worcester County Housing Authorities
Maloney Properties, Inc.
Eliot Community Human Services, Inc.

Riverside Community Care
Legal Assistance Corporation of Central Massachusetts
Hudson Housing Authority
New Orchard Hill Estates
Mental Health Association, Inc.
Six individual business owners

Summary of Comments Received and Responses:

Economic Development Fund (EDF)

Comment:

A number of comments expressed concern regarding redesign of the EDF component which includes the elimination of assistance to nonprofit organizations for microenterprise training, and technical assistance programs, and business lending through capitalization of local and regional loan funds.

Response:

The Department has examined past EDF grant award activities that provide assistance for microenterprise activities (training, technical assistance and lending) and grants in support of loan funds, in light of performance outcomes, other available resources and anticipated CDBG funding levels for future program years.

DHCD has concluded that the documented outcomes, availability of coordinated economic development resources at other agencies, and the funding levels anticipated to support all CDBG activities warrant the elimination of these EDF activities at this time.

For example, the state's Office of Small Business and Entrepreneurship (OSBE) can provide grants to community development corporations and other entities for small business counseling and TA. Similarly, the recently formed Massachusetts Growth Capital Corporation (MGCC) intends to work with organizations that already do micro-lending, such as Accion, the Western Mass Enterprise Fund and the South East Economic Development (SEED) Corporation, by giving them low-interest loans so they could do the micro-lending.

Finally, funding levels for the CDBG program are expected to fall to the lowest level received in past years (FY2008) and remain at that level for the foreseeable future. DHCD believes the small proportion available for economic development activities will be best spent on the remaining EDF activities identified in the One Year Action Plan.

FY 2012 CDBG Program Design

Comment:

Several comments were received regarding the need for more details and discussion of potential changes to the FY2012 CDBG program. Concern was expressed regarding the availability of more information, the factors to be considered and the opportunity for interested parties to provide input on the possible changes.

Response:

As it has done in the past, DHCD will prepare and distribute a memo detailing the specifics of the changes under consideration, invite informal public comment and hold public information sessions

to engage in discussion of the changes being considered, the rationale behind the possible changes and alternative ideas from program participants. The initial memo will be prepared and distributed as soon as is practical, and as the award decision process for FY2011 winds down.

HOME Program

Comment:

One comment suggested that, in order to enable towns and housing authorities to take advantage of smaller building lots under their control to meet priority housing needs, DHCD should allocate at least \$5,000,000 specifically for small-scale (20 units or less, multi-family rental developments.

Response:

In the 2011 One Year Action Plan, the majority of the expected HOME allocation is planned for multi-family rental housing. A set-aside for small-scale multi-family rental projects is not necessary, as projects with at least five HOME-assisted units are eligible to apply.

Comment:

One comment encouraged DHCD to develop a resale restriction that satisfies the HUD HOME issues and would thus enable HOME funds to be used in development projects as well as for downpayment assistance.

Response:

The 2011 One Year Action Plan references the development of resale and recapture model documents. The draft resale document will be submitted for HUD review shortly. DHCD does not intend to use the resale document for our downpayment funds, but any PJ may use language in the document and adapt it for its own HUD review.

Comment:

One question addressed the use of HOME funds for Project-Based Vouchers.

Response:

Project-Based vouchers are not an eligible use of HOME funds. The Commonwealth administers Project-Based Section 8 and MRVP vouchers, in addition to tenant-based Section 8 and MRVP vouchers.

Emergency Shelter Program

Comment:

Several comments were received attesting to the effectiveness of the Tenancy Preservation Program (TPP).

Response:

DHCD understands the effectiveness of TPP and appreciates the advocacy on behalf of the program. We are currently exploring ways to continue to fund this program.

Appendix B: Program Specific Requirements

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| ESG..... | xii |
| HOPWA..... | xv |
| CDBG (One Year Annual Plan)..... | next section |

Program Specific Requirements

HOME Investment Partnerships Act (HOME) Program

MASSACHUSETTS HOME PROGRAM

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2011

The Department of Housing and Community Development will receive an allocation of approximately \$13,266,893 in HOME funds in federal fiscal year 2011 including funds that may be used for downpayment assistance. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$11,940,204 through competitive funding rounds and, in certain circumstances, readiness-based rolling submissions.

DHCD will continue to award its rental funds through a competitive RFP process. However, DHCD reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals. DHCD will award federal fiscal year 2011 HOME program funds to two program types: multi-family rental loans and homebuyer assistance. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. Note: A minimum of 15 percent of the federal FY 2011 allocation will be reserved for CHDOs serving as owners, sponsors, or developers of rental production projects. The Undersecretary of DHCD reserves the right to consider geographic distribution in making funding decisions for the 15 percent CHDO set-aside. DHCD will continue to encourage CHDOs to participate in the HOME program and will provide HOME technical assistance that will be available to CHDO staff, as well as others.

Allocation of Funds

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects and project-based homebuyer assistance in entitlement communities that provide a match for DHCD administered HOME funds.

During federal FY 2011 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$11,940,204 - rental loan program
- n/a- project-based first-time homebuyer program
- Up to \$200,000 in reallocated funds – purchaser-based first-time homebuyer program (aka ‘HOME ADDI’)

Evaluation Criteria for HOME Projects

DHCD will continue to competitively award HOME funds for Rental Loan and Purchaser-Based homebuyer activities. Certain rental submissions will be assessed on a rolling basis. HOME entitlement communities must provide a match for projects seeking DHCD-administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles

- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability of the project, including evidence of minimal utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

| Terms and Conditions: Multi-Family Rental Projects | |
|---|---|
| Eligible Borrowers | For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above. |
| Eligible Activities | Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units. |
| Maximum Loan Amount | DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit. |
| Match Requirement | Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments. |
| Cost/Fee Limits | Projects with Total Development Costs in excess of \$165,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC). |
| Security | All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal. |
| Affordability | All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be occupied by and affordable to households earning no more than 50% of area median income. |
| Holdback Feature | DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award until the project is substantially complete. |

| Terms and Conditions: Multi-Family Rental Projects | |
|---|---|
| Term of Loan | Loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing. |
| Recourse | The loans will be non-recourse. |
| Interest Rate | Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are made at the Applicable Federal Rate (or higher) as required by the Tax Credits program. |
| Debt Coverage Ratio | DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one. |
| Environmental | An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing. |
| Lead Paint Requirements | HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies. |
| Section 3 and M/WBE Requirements | All HOME projects must meet Section 3 and M/WBE provisions, including appropriate outreach. |
| Energy Star, Sustainability and Other Green Measures | All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan. |
| Accessibility for Persons with Disabilities | For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with disabilities. |
| Good Standing at DHCD | Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects. |

| Terms and Conditions: Multi-Family Rental Projects | |
|---|--|
| Application Fees | The application fee for non-profit developers is \$450 per project; the fee for for-profit developers is \$1,250 per project. For projects seeking DHCD tax credits, only the tax credit application fees apply. |

While we do not anticipate accepting project-based ownership project applications, the following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME-funded project-based first-time homebuyer projects:

| Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects | |
|--|--|
| Eligible Borrowers: | For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above. |
| Eligible Activities | Acquisition and/or rehabilitation of existing structures for sale to income eligible first-time homebuyers, including distressed or failed properties, or the new construction of homeownership projects. Minimum project size of 3 HOME-assisted ownership units, which must be secured with a signed Purchase & Sale Agreement at the time of application. |
| Eligible Properties | Eligible property types are 1-4 family residences, condominiums and manufactured homes and lots |
| Maximum Loan Amount | DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit. |
| Match Requirement | Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments. |

| Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects | |
|--|--|
| Cost/Fee Limits | Projects with Total Development Costs exceeding the recommended TDC limit of \$165,000 per unit may not be scored. The total of the Developer Fee + Developer Overhead may not exceed 12.5% of the project's TDC. |
| Security | All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal. Upon sale of a unit in accordance with the terms of the loan and execution of a deed rider by an income-eligible first-time homebuyer, the principal amount due under the loan is reduced by the amount of HOME funds applicable to the unit. |
| Affordability | All first-time homebuyers purchasing HOME-assisted units must earn no more than 80% of the area median income. Each HOME-assisted unit must conform to applicable value standards as prescribed by HUD. The purchase price must not exceed 95% of the area's median price as determined by the HOME program and as cited on HUD's HOME website and must have sales prices within DHCD's limits. Any HOME-assisted rental units in multi-family properties must be leased to households earning no more than 60% of area median income. These rental units may be leased at the "high" HOME rent. (Please contact DHCD for a list of the 95% of median mortgage limits or go to www.hud.gov/cpd/home/homeweb.html for the maximum rents and household incomes for your community.) |
| Holdback Feature | DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award by property until the property is substantially complete. |
| Term of Loan | Loans to "Eligible Borrowers" will be for 2 years. By the maturity date, each unit must be sold to income-eligible first-time homebuyers. The length of the Affordable Housing Restriction for the homebuyer is a minimum of 15 years. In the event the homebuyer desires to sell the property prior to the end of the term of the Restriction, certain resale/recapture requirements will apply. |
| Recourse | The loans to "Eligible Borrowers" will be non-recourse. |
| Interest Rate | Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. |
| Environmental | At a minimum, an ASTM Phase One environmental site assessment must be submitted for each property. |
| Lead Paint Requirements | HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies. |
| Section 3 and M/WBE Requirements | All HOME projects must meet Section 3 and M/WBE provisions, including appropriate outreach. |

| Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects | |
|--|---|
| Energy Star, Sustainability and Other Green Measures | All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan. |
| Good Standing at DHCD | Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects. |
| Accessibility for Persons with Disabilities | Applicants should be sensitive to the need to develop adaptable and/or accessible units in properties that are being newly constructed. In addition, if a buyer or a member of the buyer's household is a person with a disability, necessary modifications must be made to ensure accessibility. The costs of the modifications may be passed on to the buyer if they are such to unreasonably burden the project. |
| Application Fees | The application fee for non-profit developers is \$450 per project; the fee for for-profit developers is \$1,250 per project. |

The following terms and conditions apply to all HOME purchaser-based homebuyer programs (aka HOME ADDI programs).

| Terms and Conditions: HOME ADDI | |
|--|---|
| Eligible Applicants | Non-profit organizations and non-entitlement municipalities |
| Eligible Activities | Provision of funds to low-income households for downpayment or closing costs assistance. |
| Maximum Application Amount | DHCD will award up to \$50,000 per application. Assistance to individual homeowners is limited to the lesser of 5% of a property's purchase price, \$10,000, or the amount needed to complete the first-time homebuyer transaction. |
| Match Requirement | Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a full match, it may not be scored. In general, preference will be given to applications with full match commitments. |
| Security | All HOME loans will be secured by a second mortgage on each property purchased by an eligible first-time homebuyer |
| Affordability | First-time homebuyers receiving a HOME Acquisition Loan may earn no more than 80% of the area median income. Each HOME-assisted unit must have a purchase price that does not exceed 95% of the area's median price, as cited by the HUD HOME program. Any HOME-assisted rental units in multi- |

| Terms and Conditions: HOME ADDI | |
|--|--|
| | family properties must be leased to households earning no more than 60% of area median income. Rental units may be leased at the “high” HOME rent. |
| Term of Loan | Loans to homebuyers will be for 5 years during which time the property must remain the buyer’s primary place of residence. In the event that a buyer desires to sell the property prior to the end of the five year term, DHCD will recapture the entire amount of the HOME ADDI loan or the net proceeds from sale, whichever is less. During the five year term of the HOME ADDI note, DHCD will not subordinate to cash out refinances. |
| Recourse | The loans will be recourse to the borrower. |
| Interest Rate | First-time Homebuyer Acquisition loans are deferred payment loans with zero percent interest rates. |
| Environmental | An environmental checklist and assessment is required to be completed for each property. |
| Good Standing at DHCD | Applicants for HOME funds must be in good standing with DHCD with respect to other DHCD-assisted projects. |

First-time Homebuyer Resale or Recapture Provisions

While DHCD does not anticipate awarding new HOME project-based homebuyer funds in the coming program year, as rental projects continue to be a priority. Regardless, this has been an opportune time to do a review of its homeownership loan documents. Over the past year, DHCD formed a work group with some of our key development partners, counsel and one of our HOME TA partners for the purpose of developing new model homeownership loan documents. We have reviewed certain HOME models and have developed a resale restriction for approval. We also are in the final stages of developing two recapture restrictions for use in different market areas; we will ask to use a recapture model with a declining balance in more challenged areas and a recapture model with shared appreciation in opportunity areas. The resale restriction will be used in communities where the locality requests it, generally in high market areas. We expect to be completing these documents early in the 2011 program year and will submit a Consolidated Plan amendment proposal when our documents are ready. The restriction for purchaser-based assistance will continue to call for recapture only.

“Recapture” for purchaser-based assistance has a five-year restriction and the maximum assistance amount is limited to the lesser of: 5 percent of a property’s purchase price, what is necessary based on an individual needs assessment, or \$10,000. The recapture provision works as follows: A homeowner wishing to sell a unit within five years of the date of the deed rider may sell the unit to a third party free of any restrictions as long as the assistance amount is paid to DHCD. The recapture amount can never be greater than the net sales proceeds.

Eligible Applicants for HOME Funding

| PROGRAM COMPONENT | ELIGIBLE APPLICANTS |
|--------------------------|---|
| Rental Production | Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer |

| | |
|---------------------------------------|--|
| | Municipal Entity in Partnership with Non-Profit or For-Profit Developer |
| First-Time Homebuyer Project | Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer |
| First-Time Homebuyer Purchaser | Non-Profit Sponsor Non-Profit Sponsor in partnership with a Municipal Entity Municipal Entity that is <i>not</i> a HOME Entitlement or a member of a HOME Consortium |

HOME Match

The resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program and the state's Housing Stabilization Fund (both described in this section of the plan). Annual expenditures through these two programs alone are approximately \$36 million. Since states are permitted to "bank" match, that expenditure level would constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

HOME Technical Assistance

DHCD has successfully administered three HOME Technical Assistance grants and we are in the midst of administering our fourth, which was awarded in August 2011 based on our 2008 application with Franke Consulting Group, Mostue & Associates, the Massachusetts Housing Partnership Fund, and FinePoint Associates. We are implementing our proposal through the provision of a comprehensive array of technical assistance and training activities to communities, organizations and projects throughout the Commonwealth and across New England. DHCD has used some funds to work on MassDocs for Homeownership and has been delivering approved training since the first quarter of 2011, with a goal to expend the \$150,000 grant within two years.

In addition to the training described above, DHCD hopes to continue its popular series of Peer to Peer Workshops where the participants are given control of the agenda, and allowed to get together in discussions with their peers and a seasoned HOME TA provider about practical program issues. Many HOME administrators are quite experienced and don't want to sit through lengthy training sessions that offer too much basic "rules" training and not enough practical information about the day-to-day administrative challenges they have in running the program, we've found that the peer session responds to the needs of the seasoned administrator and provides helpful information to the more novice HOME specialist.

The team also would continue to work closely with the local HUD office to provide technical assistance to organizations it has identified. And, the team would continue to be available to perform other activities that assist HUD in meeting its community goals. To that end, our process for selecting which organization will receive technical assistance will be flexible and will incorporate HUD's demand response model. Communities needing intensive technical support will be needs-assessed. We will be coordinating with our HUD GTR for approval of all work plans. DHCD expects to submit a proposal for OneCPD TA funds when a second NOFA is issued in calendar year 2011.

HOME Performance Measures

In accordance with CPD Notice 03-09, DHCD's HOME program has been working towards a method of quantifiable performance measurement. Representatives from Massachusetts participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal

Register, June 10, 2005. HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. Two of the Commonwealth's housing and community development objectives are the primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs, and
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.

DHCD's HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production, rental rehabilitation, homeownership production and homebuyer assistance. DHCD has begun incorporating the following primary performance measures for each funding type:

Rental Production

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Rental Rehabilitation

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Homeownership Production

- Number of affordable units produced
- Amount of money leveraged for the homeownership production activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504

- Number of children under age 6 within HOME-assisted units
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Analysis of the HOME beneficiaries as described below
- Number of homebuyers completing pre and post-purchase counseling
- Number of households coming from subsidized housing
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

Homebuyer Assistance

- Number of homebuyers assisted
- Of the homebuyers assisted, the number that had been residents of public housing, privately subsidized housing, or of a manufactured home community.
- Number of minority households assisted
- Number of household children under age 6 within HOME-assisted units
- Number of homebuyers moving from housing with lead-based paint
- Number of homebuyers who had been homeless
- Number of homebuyers at incomes below 60%, 50%, 30%
- Number of homebuyers that had previously been in an over-crowded or substandard housing situation
- Number of homebuyers completing pre and post-purchase counseling
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

We continue to expect that DHCD's HOME Program's performance measurement standards will further evolve, as our experience with the initiative matures and HUD issues further guidance.

Program Specific Requirements

Emergency Shelter Grant (ESG) Program

If HUD implements the new Emergency Solutions Grant program (under the HEARTH Act) for FFY2011, DHCD will submit an amendment to this Action Plan based on HUD's regulations for that new program. If not, DHCD will continue to administer the existing Emergency Shelter Grant (ESG) program in accordance with the current state and federal governing regulations.

ESG Funds may be used for emergency shelter operations, case management services for people experiencing homelessness to help them move more quickly to permanent housing, and for homelessness prevention services which prevent households from having to enter shelter.

Administered by the U.S. Department of Housing and Urban Development as a block grant program, ESG has been used to expand shelter capacity and enhance the availability of services for homeless individuals and families. Requiring a dollar-for-dollar match of the federal share, ESG funds are available to states, metropolitan cities, urban counties, and territories.

DHCD will be funded at \$2,588,744, similar to recent years, and serve approximately 6,000 people. Emergency Shelter Grant funding emphasizes the need to prevent homelessness, featuring a "continuum" model to prevent people from having to enter shelter and/or to support them in the event a shelter stay is unavoidable.

Process for awarding funds

A competitive procurement was issued in March, 2010 for distribution of Emergency Shelter Grant funds coinciding with the Commonwealth's transition of ESG Grantee status from the Department of Transitional Assistance (DTA) to DHCD. DHCD awarded 44 contracts as a result of that procurement. DHCD plans to continue to conduct periodic procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders within the Request for Response (RFR) issuance. If additional or unexpended funds become available during the procurement period they may be awarded on an emergency basis for emergency shelter when sufficient emergency shelter capacity is not available such as for overflow beds.

Allocation of Funds

Prior to the issuance of a competitive procurement, or Request for Responses (RFR), a notice of pending funding availability is accomplished through notification of state agencies' provider networks and through the Commonwealth's Internet Comm-PASS system. The RFR is posted in its entirety on Comm-PASS with instructions for how to submit a Response requesting funds. All responses to the ESG RFR are received at DHCD, logged, and are first reviewed to determine if they meet the minimum qualification requirements specified in the RFR. All qualified responses received which meet the minimum qualification requirements are evaluated by an ESG Selection Committee. There are generally multiple Selection Committees depending on the number of responses received. Each Selection Committee comprises state employees who work with housing programs and/or homeless individuals and/or families, a Chairperson of the ESG Selection Committee and a recorder of minutes, both of whom participate in all selection committee meetings as non-voting members.

After each Selection Committee completes an evaluation of the Responses assigned to it and ranks each response, all Selection Committees are convened as a Procurement Management Team (PMT). The PMT then conducts a final review of the programmatic and cost rankings to determine which responses received the highest rankings and should be recommended for selection to the Associate Director of the Housing Stabilization Division. The PMT recommendations are reviewed by the Associate Director. Upon approval, the Associate Director submits the Divisions recommendations to the Undersecretary of DHCD who makes the final determination of selections and awards.

The minutes of the Selection Committee meetings establish a permanent public record of the basis upon which Responses were evaluated and contracts were awarded.

DHCD announces the awards through written notification to both successful and unsuccessful bidders. DHCD then negotiates with successful bidders as needed, executes contracts, and monitors the provider's activities to assist and ensure the provider's compliance with the terms of its contract. DHCD maintains oversight responsibilities for administration of ESG grants.

Program Specific Requirements

Housing Opportunities for Persons with AIDS (HOPWA) Program

MASSACHUSETTS HOPWA PROGRAM FOR FISCAL YEAR 2011

The Massachusetts Department of Public Health (MDPH) Office of HIV/AIDS administers HOPWA funds for the "balance of state" and attempts to use these resources for programs located outside the six other HOPWA Eligible Metropolitan Statistical Areas (EMSAs) in Massachusetts. MDPH currently uses HOPWA funds to

provide housing-related technical assistance (TA) services to HIV/AIDS housing providers throughout the state. This service is provided by the Technical Assistance Program (TAP) of Victory Programs, Inc (formerly the AIDS Housing Corporation).

This program was originally awarded funds during a statewide procurement for technical assistance services in state fiscal year 2006. Vendor selection involved a comprehensive community and internal review process. Both state and HOPWA funds were allocated during this procurement process. Services funded with HOPWA dollars will include program support, needs assessment, program evaluation, staff development and the determination of training needs as well as facility operating assessments. The TA offered assists agencies to update their operational policies and procedures, assure compliance with standards of care and implement a number of new client focused initiatives related to improving self-sufficiency (such as engaging in productive activities, as well as developing skills in financial literacy and nutritional literacy).

DPH requires programs to have an active and engaged consumer presence by ensuring representation from HIV-infected persons in program activities and a consumer advisory board which meets regularly.

In federal fiscal year 2010, the state spent \$146,000 of its HOPWA allocation for technical assistance services for HIV/AIDS housing providers statewide (as noted above). The Office of HIV/AIDS conducts thorough oversight of all of its contracts. Monitoring mechanisms include a submission of an annual program workplan, system-wide performance measures, client-level data collection, annual site visits, and ongoing fiscal monitoring. OHA staff provides technical assistance when necessary and offer regular program development opportunities and trainings that help enhance staff capacity and improve quality throughout the service system.

MDPH-OHA reports its annual performance through the CAPER. OHA has begun a process to review its current HOPWA spending and develop a strategy for FFY 2011 to encumber more of its HOPWA funds.

Program Specific Requirements

Community Development Block Grant (CDBG)

The FY 2011 CDBG One Year Action Plan begins on the following page.

One Year Action Plan

FY 2011

Massachusetts

Community Development Block Grant Program

June 2011



COMMONWEALTH OF MASSACHUSETTS

Deval Patrick, Governor

Timothy P. Murray, Lt. Governor

Department of Housing and Community Development

Tina Brooks, Undersecretary

FY 2011 One Year Action Plan - Preface

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), and Housing Opportunities for People with AIDS (HOPWA) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the development of the FY 2010-2014 Five-Year Consolidated Plan. Publication of the draft Massachusetts CDBG One-Year Action Plan takes place in advance of the Five Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, and HOPWA programs. DHCD held informational sessions on CDBG program changes considered for FY 2011 Draft CDBG One Year Action Plan in September and October 2010, and expects to hold formal public hearings on the overall FY 2011 Annual Update, including the One Year Action Plan in December 2010.

DHCD encourages communities to approach CDBG projects in a comprehensive and integrated manner and requires communities to target their CDBG funds to particular geographic areas in order to achieve positive change within neighborhoods. This approach is in line with HUD's emphasis on coordinating funding and enhancing communities' ability to engage in comprehensive revitalization strategies. DHCD is seeking to assess the impact of CDBG investment in distressed areas through the focused targeting of financial and technical assistance resources. DHCD is encouraging communities in their planning processes to think comprehensively about community development – to consider planning and implementing projects that promote compact development, expand housing opportunities, and demonstrate measurable change in an area.

DHCD's intent is to provide for a number of activities that concentrate investments making measurable improvements in distressed neighborhoods. Comprehensive approaches to meeting the needs of these areas should be designed to improve the physical, social and economic conditions of low- and moderate- income families and neighborhoods.

Communities are encouraged to submit applications that include activities that are integrated with one another and targeted to a particular neighborhood or geographic area. For example, we are seeking applications that include a housing rehabilitation program that is targeted to a particular area, an infrastructure or playground improvement project to be undertaken in that same area, and perhaps also social service programs that will serve the residents of that same area. DHCD acknowledges that establishing such a program entails comprehensive planning and envisions that the Community Development Strategy will serve to inform this process. It is DHCD's expectation that for FY 2011, applicants will report on previous years activities funded in previously identified target areas in support of their FY 2011 applications.

CHANGES/CONTINUING REQUIREMENTS IN FY 2011 ONE-YEAR PLAN

CHANGES

- **Timely Expenditure** - Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2011 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application.

For FY 2011, Mass CDBG has modified its percentage based system for calculating timely expenditure. In order to apply for CDBG² funding, a community must demonstrate, using the most recent financial status

² CDBG includes CDF I and II, Mini-Entitlement, and Reserves, but for the purposes of this calculation excludes EDF, Section 108 guarantees, and Bridge Financing Program. Planning-only grants of \$50,000 or less are also excluded from this calculation. It is expected that FY 2008 Reserves and CDBG-R recipients will meet the standard for FY 2011 grants. Reprogrammed funds and program income funded activities will not be included in this calculation.

report at the time of application that 100% of all grant funds awarded for fiscal year 2008 and earlier have been fully expended, 65% of funds awarded in FY 2011 have been expended and for funds awarded in FY 2010, all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2011 funds.

- Applications with more than one project packet (component) to be considered for funding will receive a single Activity Score that is based on the average score for each project that meets the thresholds enumerated and then rounded to the nearest whole number. Planning and Public Social Services activity scores however, will not be included in the averaging of activity scores.
- For FY 2011, the **Economic Development Fund (EDF)** will continue to offer assistance to directly support physical improvements to downtown or commercial center areas, particularly, rehabilitation of, or conversion to, affordable and workforce housing units located in downtown or commercial center areas. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. Such projects must be in mixed-use (residential and commercial use) buildings. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. A mixed-use project qualifying for commercial and residential EDF assistance will be limited to a maximum grant of \$750,000, plus administration costs. For most housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs. Other physical improvement projects must be located in downtown/ commercial center areas, with emphasis on mixed-use development. EDF will also fund planning studies within certain limitations. More detailed information is contained in the One Year Plan and EDF Application Guidance documentation.
- For FY 2011 EDF will not award funds for public facilities and infrastructure, assistance to non-profit organizations for public services, capitalization of loan funds or business technical assistance, or direct assistance to individual businesses or other entities for purchase of machinery and capital equipment, working capital and credit refinancing
- **Grant Award Amounts** – For FY 2011 maximum grant amounts for available categories are listed below.

| Category - CDF I/CDF II | Minimum Grant from Competitive Round: | Maximum Grant from Competitive Round: |
|---|--|--|
| Single Community | \$ 100,000 | \$ 800,000/\$800,000 |
| Single Community w/multiple targeted activities | \$ 100,000 | \$ 1,000,000/\$1,000,000 |
| Two or Three Communities (Regional) | \$ 100,000 | \$ 1,000,000/\$1,000,000 |
| Four or More Communities (Regional) | \$ 100,000 | \$ 1,200,000/\$1,200,000 |
| Planning- or Design-only grants | \$ 20,000 | ----- |

- **Application due dates are expected as follows:**

CDF: Application due Friday, December 10, 2010
Mini-Entitlement: Application due Friday, December 10, 2010

EDF: All program components in the Economic Development Fund have rolling applications

- For FY2012, DHCD intends to review several aspects of the MA CDBG Program. The Department will evaluate possible changes to the range of activities available for funding and the requirements for requesting and using CDBG funds, including:
 - Evaluation and calculation of Community Wide Need scores
 - Evaluation of the use and availability of bonus points in competitive applications
 - Possible requirements for multiple physical activities in target areas
 - Possible redefinition of regional activities and/or the incentives related to them
 - Limitations on applications in successive years
 - Limitations on local retention of Program Income
 - Spending caps on administrative and/or program delivery funds
 - Determination of eligible Mini-Entitlement communities

CONTINUING REQUIREMENTS

- **Targeted Activities** - All FY 2011 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.
- **Target Area funds** - If excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds. DHCD's preference is to approve reprogramming for the following purposes and in the following order:
 - Funds will be used for eligible housing activities in the target area,
 - Funds will be used for eligible housing activities in the remainder of the community,
 - Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

- **CDF I Community Eligibility** - Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY11 applications. A community may not apply to separate funds in different applications.
- **Web-based grant management system** - For FY 2011, all applications will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.
- **Community Development Strategies** will continue to be evaluated to determine adequacy. The following is the list of criteria by which Community Development Strategies will be evaluated. Any grant award to municipalities with CD Strategies that do not meet the four criteria below will be subject to special conditions that address Community Development Strategy criteria.
 - a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
 - b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them.

- c. The CD strategy must identify and describe the geographic target areas, if any, that are intended as the focus of community development efforts.
 - d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually.
- **Sustainable Development Principles** - All projects must be consistent with the sustainable development principles listed in Exhibit 5. Guidance on this threshold may be found in Exhibit 6. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk (e.g., demolition of a blighted structure).
- **Bid-ready plans and specifications** - DHCD continues to require bid-ready plans and specifications for all public facilities and architectural barrier removal projects of \$100,000 or more. The standard is for the total construction cost of the project. Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.
- **Bid-ready Plans and Specifications** – Communities may demonstrate compliance with the existing requirement for bid-ready specifications by submitting the table of contents for the specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready. Bid-ready plans must still be provided in electronic format within an application.
- **Slum and Blight Designation** - DHCD will accept documentation from communities seeking slum and blight designation for a target area on an ongoing basis, but no later than thirty (30) calendar days prior to the submission of a CDBG application for which designation is to be considered. DHCD approval of a slum and blight target area does not qualify an activity or a project proposed in the target area as meeting the national objective or other CDBG threshold criteria. Each activity or project must meet the program criteria in effect at the time of application.
- DHCD will continue to implement **HUD's Outcome Performance Measurement System**. The system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.
- Housing rehabilitation programs and public facilities projects are required to use **Energy Star** building performance standards in FY 2011. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be "full cut-off" or "semi cut-off" fixtures.
- Communities seeking CDBG funds for **senior center projects** must request elderly low- and moderate-income household data from DHCD prior to submitting an application. Please contact Karen Bresnahan of the Policy and Planning Unit at (617) 573-1441 or Karen.Bresnahan@ocd.state.ma.us to request this information.

CDF and Mini-Entitlement applications may still include certain economic development-related activities, including Public Social Services activities that support economic development and downtown/commercial target area related projects and activities, which include facade/sign programs and/or streetscape improvements. Applications for downtown/commercial target area related projects and activities will not be accepted in the EDF.

- **Mini Entitlement Program** - DHCD has identified 10 Mini-Entitlement communities for FY2011. These communities are required to approach CDBG projects in a coordinated and integrated manner and to target their CDBG funds to a particular identified neighborhood or target area. The following communities are Mini Entitlement applicants:

| | |
|-------------|------------------|
| Amherst | Chelsea |
| Everett | Gardner |
| Greenfield | North Adams |
| Southbridge | Wareham |
| Webster | West Springfield |

DHCD proposes a maximum annual grant award up to \$1,000,000 for each Mini-Entitlement community to carry out eligible target area activities.

MASSACHUSETTS CDBG ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2011

INTRODUCTION:

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs, in communities with the greatest level of demonstrated need;
- Coordinated, integrated and balanced agency responses to address the needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FY 2011, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- | | | |
|---------|----|--|
| SECTION | A. | Massachusetts CDBG Priorities |
| | B. | Eligible Municipalities |
| | C. | Eligible Projects/Use of CDBG Program Funds |
| | D. | Applicant/Project Threshold Criteria |
| | E. | Allocation of CDBG Funds to the Commonwealth |
| | F. | Availability of CDBG Program Funds |
| | G. | Evaluation Criteria for All Program Components |
| | H. | Program Sanctions |
| | I. | Citizen Participation Requirements for Applicants and Grantees |
| | J. | CDBG Program Components (description) |

A. MASSACHUSETTS CDBG PRIORITIES

The Community Development Block Grant (CDBG Program) was authorized by Congress, and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: *"...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons."* DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth's sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- coordinated, integrated community development initiatives that are targeted to neighborhoods or particular geographic areas, that meet the needs of these areas, and are designed to demonstrate measurable improvements in the physical, social, and economic conditions of the area;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self sufficiency; and
- broad local participation in meaningful community-based planning that assesses needs and identifies strategies for addressing those needs.

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

B. ELIGIBLE MUNICIPALITIES

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 37 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit 1 for a listing of Massachusetts' entitlement communities.)

C. ELIGIBLE PROJECTS

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects which create and/or retain jobs including awards to existing regional entities for regional economic development loan funds;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services.

DHCD has designed several Massachusetts CDBG program components to fund such projects. Each program component responds to particular community development needs. The rules and program guidelines are set forth in Section J: *PROGRAM COMPONENTS*.

LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Buildings used for the general conduct of government** – Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve access for people with disabilities. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc.; **however the use of CDBG funds is limited to the relevant barrier removal work and directly related and required construction.**
- ❖ **Public Social Services**

Public Social Services projects are not eligible as a “stand-alone” application under Community Development (CDF) I, II or Mini- Entitlement grants. Furthermore, an application will not be considered a regional application if the only activity proposed to take place in more than one of the co-applicant communities is public social service.

Public Social Services cannot exceed 20% of a CDF I, CDF II, or Mini- Entitlement grant. DHCD encourages communities to comply with the Department's policy that fifty-percent (50%) of funding for Public Social Services support activities that build economic security and self-sufficiency. The following are Public Social Services that meet this definition:

- ABE/GED classes
- Domestic Violence Prevention
- Earned Income Tax Credit (EITC) Counseling and Preparation
- Elder Self-Sufficiency
- English for Speakers of Other Languages (ESOL)
- Financial Literacy
- Homebuyer Counseling
- Individual Development Accounts (IDAs)
- Job Training
- Job-Related Childcare Assistance
- Job-Related Transportation Assistance
- Literacy Programs and Training
- Mortgage Foreclosure Prevention Counseling

For FY 2011 however, communities may apply for Public Social Services without adhering to this policy. Current economic conditions warrant a relaxation of this policy in order to serve pressing public service needs, in accordance with all other CDBG regulations.

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community's Community Action Agency and not be inconsistent with such Agency's assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

Communities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.

DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant communities.

Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.

- ❖ **Downtown/commercial target area related projects** – Communities may apply for funds for downtown or commercial district related projects under CDF I, CDF II, and the Mini-Entitlement Program. Conditions listed below apply to CDF I, CDF II, and the Mini-Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district revitalization target area that is defined in the Community-Based Planning documents and delineated in the slums and blight documentation supporting the Community Development Strategy. Communities may also apply through EDF for funds for rehabilitation of adaptive re-use for commercial use or workforce housing in mixed-use buildings located in downtown or commercial center areas. Funds may be used for acquisition, demolition, and building rehabilitation activities when clearly linked to economic development and jobs.

DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, communities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if a) they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective requirements set forth in the Application Guidance on Threshold Questions, and b) their community development strategy (see page 6) contains a downtown or commercial area revitalization element.

CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.

- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low and moderate income households for at least a 15-year period. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years – or as long as the loan is outstanding. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an **Affordable Housing Restriction** [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years. "Owner-occupied" is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered "investor owned."

D. APPLICANT/PROJECT THRESHOLDS

It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #8) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.
2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:
 - a. benefit a majority of low- and moderate-income persons;
 - b. aid in the prevention or elimination of slums or blight; or

c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.

3. **Timely Expenditure** – Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2011 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application. In order to apply for CDBG³ funding, a community must demonstrate, using the most recent financial status report at the time of application that 100% of all grant funds awarded for fiscal year 2008 and earlier have been fully expended, 65% of funds awarded in FY 2011 have been expended and for funds awarded in FY 2010 all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2011 funds. It is expected that FY 2008 Reserves recipients and CDBG-R recipients will be able to meet the standard established for FY 2011 recipients. Reprogrammed funds and program income funded activities will not be included in this calculation.

Active grants include those for which project activities have yet to be completed and payments are outstanding. All lead applicants and participating applicants must meet this standard. An applicant must meet this threshold requirement at the time of application for all Mass CDBG components. Communities that do not meet this threshold will be eliminated from further Mass CDBG funding consideration. No waivers will be granted for the timely expenditure threshold. *Unexpended CDBG funds* are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Targeted Activities** - All FY 2011 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

6. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 6. **This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.**

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

7. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore projects must be consistent with community efforts to identify needs and engage

³ CDBG includes CDF I and II, Mini-Entitlement, CDBG-R and Reserves, but for the purposes of this calculation excludes EDF, HDSP, Section 108 and planning-only grants of \$50,000 or less.

in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high priority.* All applicants and participants⁴ must have engaged in a community-based planning process and be able to demonstrate project consistency with a Community Development Strategy, (not to exceed seven [7] pages), that must be included in the application.

The Strategy serves to summarize various planning documents used by a community, and to outline a plan of action intended to accomplish specific community development goals that will have an impact on the community. Therefore, each Strategy can reference various planning documents approved by a locally elected or appointed body, or by Town Meeting, but *it is important that the Strategy reflect a comprehensive, integrated approach to the municipality's community development priorities.* The Strategy must also discuss how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.

Each activity included in a Massachusetts CDBG application must relate to and be reflected in the Strategy. The Strategy must explain how the community expects to address the priorities with CDBG and non-CDBG funds over a 3-5 year period.

The Community Development Strategy may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by municipal boards, agencies and departments. Such plans may include but are not limited to EO 418 Community Development Plans, EO 418 housing strategies, Capital Improvement Plans, Master Plans, Downtown Plans, Open Space and Recreation Plans, Area Revitalization Strategies, Urban Renewal Plans, the regional Comprehensive Economic Development Strategy, and a Community Action Statement (CAS). The strategy must be discussed in a public forum, meeting, or hearing held at least two (2) months prior to the submission of a Mass CDBG application.

DHCD will evaluate the submitted Community Development Strategy to determine its adequacy. The Strategy must be determined to be adequate or the application will be subject to special conditions regarding the CD strategy. DHCD will use the following four criteria to make this determination:

- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
- b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them, and provide specific goals and annual timelines for accomplishing its goals.
- c. The CD strategy must identify and describe the geographic target areas that are intended as the focus of community development efforts.
- d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually. This requirement will not apply to EDF.

An applicant may submit a Community Development Strategy and supporting documentation that was previously developed within the past three years. Changes in priorities or the addition of target areas may be made at any time but must be presented to the public, as above, prior to being included in a subsequent application.

8. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities

⁴This includes regional applicants.

undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national, state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

9. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. For example, each participating community must have a Community Development Strategy that is found to be adequate, the community must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Communities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #10 through #13 apply to specific program applications or types of projects.

10. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

11. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control⁵ by the municipality, as attested to by the Mayor or Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and
- (iii) provide one copy of the bid-ready plans⁶ prepared by a licensed architect or engineer, a table of contents for the bid specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready (modular construction may require a lesser standard – see Project Threshold Criteria #13).

CDBG-assisted senior center projects funded in FY 2003 or later may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date. Communities seeking CDBG funds for senior center projects must request elderly low- and moderate-income household data from DHCD prior to submitting an application.

12. **Architectural Barrier Removal** – A municipality applying for assistance with an architectural barrier removal project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services, and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. Completion of the Transition Plan is a required threshold for Architectural Barrier Removal applications.

⁵ Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

⁶ Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Communities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

Applications for Architectural Barrier Removal projects with a total construction cost of \$100,000 or more require bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready in each copy of the application. Projects less than \$100,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

13. **Bid-ready Plans and Specifications** - Bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready are required for all public facilities and architectural barrier removal projects with a construction cost of \$100,000 or more (see definition in footnote #5). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

In addition, DHCD recognizes that this requirement may be problematic for communities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH

The federal Fiscal Year 2011 HUD allocation to the Commonwealth of Massachusetts is approximately \$30,463,198. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation DHCD expects to receive approximately \$200,000 in program income, for a total of \$30,663,198 available for FY 2011. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below.

| MA CDBG PROGRAM COMPONENT | FY 2011 ALLOCATION |
|--|--|
| Community Development Fund I | \$14,618,676 |
| Community Development Fund II | \$ 2,700,000 |
| Mini-Entitlement Program | \$10,000,000 |
| Economic Development Fund (not including expected \$200,000 in program income) - Section 108 Loan Guarantee* | \$ 1,000,000 \$ 2,000,000 |
| Reserves | \$ 750,626 |
| Section 108 Loan Repayments** (No. Adams, Everett) | \$ 380,000 |
| Administration and Technical Assistance | \$ 1,013,896 |
| TOTAL AVAILABLE (includes \$30,463,198 allocation plus \$200,000 in program income) | \$30,663,198 (\$30,463,198 allocation plus \$200,000 in program income) |
| <p>* Section 108 Loan Program allocations do not impact the FY 2011 Allocation</p> <p>**Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.</p> | |

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by communities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

F. AVAILABILITY OF CDBG PROGRAM FUNDS

All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

A single community may receive no more than \$1 million from any combination of federal FY 2011 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

| Program Components ⁷ | Application Issued | FY 2011 Applications Due |
|--------------------------------------|--------------------|---------------------------|
| Community Development Funds I and II | October 2010 | Friday, December 10, 2010 |
| Mini Entitlement Program | October 2010 | Friday, December 10, 2010 |
| Economic Development Fund | February 2011 | Continuous |

G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

Evaluation:

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD's satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- resolve tie scores in a competitive fund by applying the criteria below in the following order:
 1. An application from the community or region with the higher Community-Wide Needs score will be funded;
 2. Applications for projects that increase the community's supply of affordable housing units;
 3. Regional applications;
 4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and
 5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.
- ensure that no more than 15 percent of the FY 2011 Massachusetts CDBG allocation is for public social service activities as per federal regulation.

⁷ The FY 2011 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state's One Year Plan, and will be dictated by the date the state receives HUD approval on its Plan.

- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the FY 2011 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
- not review an application unless signed by the municipality's Chief Elected Official.

Performance:

- reduce an award to a community with an uncommitted program income balance of \$100,000 or more.
- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

A major findings means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

History of significant, repeat findings means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as the number of program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Undersecretary of DHCD, whose decision is final. In the competitive programs, grants are awarded for projects to municipalities that received the highest application scores and which meet applicable thresholds until all available funds are distributed. In the programs with rolling applications, grants are awarded for projects to municipalities with application scores that meet a minimum scoring threshold, or that meet other program criteria, or both. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

Grievance Procedure

Within forty-five (45) days of the date of the Undersecretary's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Undersecretary, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

| |
|-----------------------------|
| H. PROGRAM SANCTIONS |
|-----------------------------|

DHCD reserves the right to suspend or terminate grant awards made to eligible communities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a

grantee is unable to carry out a project as approved in an application. Communities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds.

DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community,
- Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Undersecretary of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES

All applicants for funding under the FY 2011 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;
2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. **a minimum of 2 public hearings**, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at *a minimum* (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities. In cases of joint applications, all applicant

communities must be included in and participate in the public hearing. At least one public hearing must be held prior to submittal of an application; a second must be held during the course of the grant year;

6. a timely written answer to written complaints and grievances, within 15 working days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular.

J. CDBG PROGRAM COMPONENTS

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund I (CDF I)
 2. Community Development Fund II (CDF II)
 3. Mini-Entitlement Program
 4. Economic Development Fund
 5. Reserves
 6. Administration and Technical Assistance by DHCD
- **All applications To MA CDBG are submitted online and** will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.

1. COMMUNITY DEVELOPMENT FUND I (CDF I)

Program Description

The Community Development Fund I (CDF I) annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. CDF I is targeted to communities with high Community-Wide Needs scores (ranging from 25 to 35) and very limited financial ability to address those needs with local funds. See Exhibit 3 for Community-Wide Needs Scores and Exhibit 4 for the indicators and formula used to derive the scores.

In federal FY 2011 DHCD expects to award approximately \$14,618,676 in CDF I grant funds.

Grant Award Amounts

Applicants for a CDF I grant will be eligible to receive up to the following amounts based on the type of application submitted:

| Category | Minimum Grant from Competitive Round: | Maximum Grant from Competitive Round: |
|---|---------------------------------------|---------------------------------------|
| Single Community | \$ 100,000 | \$ 800,000 |
| Single Community w/multiple targeted activities | \$ 100,000 | \$ 1,000,000 |
| Two or Three Communities (Regional) | \$ 100,000 | \$1,000,000 |
| Four or More Communities (Regional) | \$ 100,000 | \$1,200,000 |
| Planning- or Design-only grants | \$ 20,000 | ----- |

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No single CDF I community in a regional application may receive more than \$800,000. There is a minimum grant amount of \$20,000 for planning or design-only grants.

Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities may apply **regionally**. *"Regional" is not limited to geographically contiguous cities and towns.* In order to comply with federal requirements governing such applications, each participating community would:
 - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other communities;
 - sign the application certifications stating compliance with program regulations; and
 - demonstrate in the application how the requested funds will be allocated among all participants.

Each participating community in a regional application must have a locally approved Community Development Strategy, and all projects in the application must be consistent with those documents.

CDF I communities may also join with CDF II communities as regional applicants.

PLEASE NOTE: An application will not be considered a regional application if the only activity taking place in more than one of the communities is public social services.

3. An applicant is eligible to apply to Community Development Fund I if its FY 2011 Community-Wide Needs Score, rounded to the nearest integer, is 25 or greater on a scale of 35. Community Wide Needs Scores are available in Exhibit 3. Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY09 applications. A community may not apply to separate funds in different applications.
4. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity under more than one CDF application during any one Mass CDBG federal fiscal year.
5. All CDF I applications must be received by DHCD's web-based application system by **Friday, December 10, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 10, 2010.

Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY 2011 Community Development Fund Application Package.

1. Applications will be scored on a 100-point system, with the potential for bonus points, as follows:

| CRITERION | POINTS |
|--------------------------|----------------|
| Community Wide Needs | 35 |
| Project Packets | 65 |
| Total | 100 |
| Regional Bonus | 5 per activity |
| Comprehensive/Integrated | Up to 10 |

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for **Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 18-month grant period, or the other criteria will not be scored.** Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

Community-Wide Needs - are scored by DHCD, based on a set of criteria including population demographics, economic conditions, the community's fiscal condition, and assorted community development need indicators. A complete list of indicators is described in Exhibit 4. Communities are encouraged to submit a written request for their need scores. A community or its designee may make the request. DHCD will notify the community's Chief Elected Official of when and to whom the score is mailed. Only the lead community of a regional application needs to submit a request for the community-wide needs score. Regional applications will receive needs scores based on a weighted average of the scores for the participating communities. (35 points)

Project Need - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Project Need will be evaluated based on the documented severity of need.

Community Involvement and Support - requires applicants to describe and document project selection, outreach efforts, involvement by the community and potential beneficiaries in the planning and development of the project and a process for maintaining involvement in the project over time. Community Involvement and Support will be evaluated based on the extent to which the applicant provides greater opportunity for involvement, actual involvement and support for the activity beyond CDBG- required efforts.

Project Feasibility - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed, including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 18-month grant implementation period.

Project Impact - requires applicants to document and describe the impact of the proposed project on the identified needs of the target population or target area including physical and visual impacts, if applicable. Project Impact will be scored on the extent to which the project will have positive impacts on the target area or

target population, the number of persons to benefit from the proposed project, quantitative and qualitative assessment measures.

To be determined fundable, a project packet must earn a score of at least 39 points out of the 65 possible for a project packet. Planning activity packets will be scored using Project Need and Impact criteria only and must receive at least half the available points for each criterion.

Available Bonus Points

Regional activities - fundable activities that will serve multiple communities will receive an additional five points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, or shared facilities or planning/design activities that will be administered and bid centrally on behalf of regional participants.

Multiple, Targeted Activities

1. Five points are available to applicants proposing multiple activities in a target area and that demonstrate that the activities are complementary, coordinated or integrated. A minimum of at least two activities must be fundable.
2. An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and the requested CDBG activities are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for municipal operating budget activities, maintenance activities/projects, or activities that are an extension of a requested CDBG activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program. Further details are contained in the Application Guidance document for FY 2011 CDBG applications. Specific guidance regarding required documentation appears in the FY 2011 Application Guidance.

Applications with more than one project packet (component) to be considered for funding will receive a single Activity Score that is based on the average score for each project that meets the thresholds enumerated above then rounded to the nearest whole number. Planning and Public Social Services activity scores, however, will not be included in the averaging of activity scores.

When all applications have been reviewed, each applicant's activity score, bonus points and community wide needs score are combined into a single application score. DHCD will fund proposals by ranking the scores from highest to lowest, applying the Evaluation Criteria above in (G) *Evaluation Criteria Applicable To All CDBG Programs* in the event of tie scores.

2. COMMUNITY DEVELOPMENT FUND II (CDF II)

Program Description

This program helps the state's non-entitlement cities and towns meet a broad range of community development needs in housing, physical development, downtown revitalization and public social services. In federal FY 2011, DHCD expects to award \$2,700,000 under the Community Development Fund II (CDF II) to eligible applicants.

Grant Award Amounts and Requirements

Applicants for a CDF II grant will be eligible to receive up to the following amounts based on the type of application submitted:

| Category | Minimum Grant from Competitive Round: | Maximum Grant from Competitive Round: |
|---|---------------------------------------|---------------------------------------|
| Single Community | \$ 100,000 | \$ 800,000 |
| Single Community w/multiple targeted activities | \$ 100,000 | \$ 1,000,000 |
| Two or Three Communities (Regional) | \$ 100,000 | \$ 1,000,000 |
| Four or More Communities (Regional) | \$ 100,000 | \$1,200,000 |
| Planning- or Design-only grants | \$ 20,000 | ----- |

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No one single CDF II community in a regional application may receive more than \$800,000 in FY 2011 funds. There is a minimum grant amount of \$20,000 for planning-only grants. All requirements of CDF I apply to CDF II.

This program is available to communities with a Community-Wide Needs Score equal to or less than 26 out of 35 points for federal Fiscal Year 2011. Community Wide Needs Scores are available in Exhibit 3. A community may apply in either one individual CDF II application or in one regional application (including as a lead applicant), or in one of each.

CDF II communities may join with a CDF I or with another CDF II for regional activities. Regional applicants are not limited to geographically contiguous cities and towns. The Community Wide Needs Score of CDF II applicants will not be considered in the composite regional Community Wide Needs Score. Participation in a regional application will not prohibit an eligible CDF II applicant from applying individually to the CDF II, within the stated restrictions.

The following conditions apply to regional applications:

- Funds allocated to the CDF II communities for regional activities will not be included when calculating the \$1 million cap in Mass CDBG funds that the lead CDF I communities may receive in a fiscal year.
- Funds allocated to the CDF II communities for regional activities will be included when calculating the \$1 million cap in Mass CDBG funds that participating CDF II communities may receive in a fiscal year.

All CDF II applications must be received by DHCD's web-based application system by **Friday, December 10, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 10, 2010.

LIMITATIONS/CONDITIONS ON SUBSEQUENT CDF II APPLICATIONS

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year. FY 2010 CDF II grant recipients designated as FY 2011 CDF I-eligible communities in Exhibit 3: Program Eligibility and Community-Wide Needs Scores are not subject to this prohibition. In addition, a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

Exhibit 2 lists communities that may not apply for CDF funds in FY 2011.

Evaluation and Award Criteria

Applications will be reviewed according to the same criteria and process for activities as detailed in the discussion above describing criteria for CDF I. However, the Community-Wide Needs Score will not be factored into the evaluation. The application will be scored on a 65-point scale.

3. MINI-ENTITLEMENT PROGRAM

Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$10,000,000 from the FY 2011 Mini-Entitlement Program allocation to 10 designated Mini-Entitlement municipalities, listed below:

Amherst
Chelsea
Everett
Gardner
Greenfield
North Adams
Southbridge
Wareham
Webster
West Springfield

DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

Grant Award Amounts and Requirements

The maximum grant award is up to \$1,000,000. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Mini-entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds above). FY 2011 Mini-entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Each Mini-Entitlement grantee must submit a Community Development Strategy. Community Development Strategies must also include how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.
2. Activity packets must be completed, but will not be competitively scored. All FY 2011 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
3. Mini-Entitlement applicants may however, propose projects, subject to DHCD approval, that do not meet the plans and specifications requirements of SECTION D. 12 and 13.
4. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
5. Mini-Entitlement communities may not join with CDF I or CDF II communities as joint applicants.

All Mini-Entitlement applications must be received by DHCD's web-based application system by **Friday, December 10, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 10, 2010.

4. ECONOMIC DEVELOPMENT FUND

(a) Community grants

The Economic Development Fund (EDF) offers assistance to communities focused on community economic development - retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF gives priority to assistance for physical improvements in support of economic development and job creation/retention. Historically, EDF has funded a range of economic and community development projects. In FY 2011, program funding is more limited and the following categories of projects will be considered, provided they can document an economic development purpose.

1. Physical Improvements Supporting Downtown and Commercial Center Economic Development

Acquisition, demolition, physical improvements and building rehabilitation or adaptive re-use activities that are clearly linked to economic development and jobs. Priority is given to mixed-use projects located in downtown or commercial center areas. Other physical improvement projects must be located in downtown/commercial center areas, with emphasis on mixed-use development.

Mixed use projects must contain a workforce housing component. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. A mixed-use project qualifying for commercial and residential EDF assistance will be limited to a maximum grant of \$750,000, plus administration costs. For most workforce housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. Economic Development Funds may be used alone or in partnership with other CDBG or non-CDBG funding sources to undertake building improvements for mixed-use projects.

2. Planning Projects Supporting Economic Development

Planning studies that if implemented will lead to a project that has an economic development purpose and will meet a national objective. Planning and pre-development studies conducted in advance of site or topic specific CDBG-eligible economic development activities.

- Proposed planning projects must clearly demonstrate that they have:
 - emerged from a formal, local or regional planning effort (i.e., in addition to the local CDS).
 - a reasonable likelihood of resulting in an identifiable, economic development project that will likely be implemented **within three (3) years**.
 - a reasonable likelihood that the implemented project will meet a national objective, with preference for significant LMI/jobs.
 - no known or potential development obstacles or other issues that would likely prevent implementation or achievement of national objective.
 - evidence of support by applicable state and/or regional agencies.
 - evidence that the project cannot be funded through other sources: federal, state, local, quasi-public or private.
- EDF will not consider planning projects that:
 - appear to be “white elephants” lacking a convincing likelihood of moving forward following the study and of meeting a national objective.
 - might be assumed by the private sector by virtue of superior project location or characteristics.
 - might be better suited for other federal, state, local, quasi-public or private funds, or have not documented that the project cannot be funded by them.
 - have not emerged from a local or regional planning effort or have not adequately demonstrated support of applicable state and/or regional agencies.
 - include architectural or engineering costs – these are considered project costs and are not CDBG-eligible planning activities.

Communities must select consultant(s) for EDF planning activities from DHCD’s procured list of eligible consultants. EDF staff reserve the right to seek any/all documentation or verification they deem appropriate to demonstrate project consistency with any of the above requirements.

DHCD anticipates that \$1,500,000 will be available to the Fund during FY 2011: \$1,300,000 will be available from the FY 2011 CDBG allocation, which will be supplemented by an estimated \$200,000 from revolving loan fund program income that DHCD expects to earn during the program year.

Grant Award Amounts and Requirements

- A community may receive no more than one EDF grant award in any fiscal year.
- In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Guidance on this threshold may be found in Exhibit 6. Public Services activities are exempt from this requirement.

- Grants are based on an 18-month implementation cycle.
- Applications will be accepted on an ongoing basis throughout the year, based on funding availability.
- Grants for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas for commercial and workforce housing are limited to \$100,000-\$750,000 plus administration. Workforce housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000.
- Grants of up to \$50,000 including administration costs, for planning studies which, if implemented, would lead to a project that has an economic development purpose and will meet a national objective.
- All other EDF grants are limited to \$100,000-\$500,000 plus administration costs.

Evaluation and Award Criteria for Grants to Communities and Bridge Financing

EDF applications will be evaluated according to a two-stage process, which consists of (1) completion of an Application Information Form (AIF) and initial meeting and (2) the application.

- (1) AIF/Initial Meeting - The applicant must submit an Application Information Form (AIF), using DHCD's web-based application system, before DHCD will consider an EDF application. Upon receipt and review of the AIF, CDBG staff will schedule, at its discretion, an initial informational meeting between program staff and representative(s) of the municipal government.
- (2) Application - If the proposed project is considered to be consistent with program requirements, and likely to meet the threshold criteria discussed in Section D: *APPLICANT/PROJECT THRESHOLDS* above, CDBG staff will invite the community to submit an application. If the applicant does not submit an application within three (3) months of the date of the invitation letter, it may be required to submit another AIF and repeat the two-step application process in order for DHCD to further consider the proposed project. **The three (3) month application deadline may be extended in extenuating circumstances at DHCD's discretion.**

Applications will be reviewed for completeness, documentation of application / project thresholds, and responses to project-specific questions and comments (project conditions) included in DHCD's letter of invitation. To be considered for funding, a proposed activity must meet all thresholds, and must address all project conditions to the satisfaction of DHCD. In the event there are insufficient funds for all eligible applications, DHCD reserves the right to consider EDF applications out of order of receipt based upon a review of the number of jobs to be created or retained, the impact of a project on the local tax base, such as increase in tax revenues, sudden job loss, levels of matching or leveraged funds, or other compelling circumstances.

(b) Section 108 Loan Guarantees

Description

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The program provides communities with a source of loan financing for community and economic development efforts involving industrial, service, commercial real estate, and housing or mixed-use projects. Funding is provided to the community to loan to the business or other entity.

The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

This year the Commonwealth will pledge up to \$2 million in future CDBG allocations in support of these eligible activities.

Grant Award Amounts and Requirements

- The minimum award is \$500,000 and the maximum is \$2 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case by case basis;
- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Loan repayments will be made according to federal regulations, paid to the state on the basis of an agreement between the state (DHCD) and the grantee.

Section 108 Guidelines

Eligible activities include:

- Acquisition of developed or undeveloped property;
- Rehabilitation of real property;
- Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements;
- Relocation payments and other relocation assistance;
- Site clearance and site preparation and construction of public improvements; and
- Payment of issuance, underwriting, servicing and other private sector financing costs.

Evaluation and Award Criteria

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund/Section 108 application. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive project money from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another

source. The state has developed an application that provides for thorough review including the following criteria:

- activity must meet a CDBG National Objective, and Public Benefit standards if applicable;
- project goals and activities are clearly defined;
- local efforts are consistent with state's economic development agenda;
- creation of public benefits;
- if the public benefit is jobs, the total number and quality of jobs created or retained;
- viability and feasibility of the proposed project;
- revenue projections and firm financial information of the proposed activity;
- revenue source for repayment of the loan must be clearly described and sufficient collateral available to secure the loan, appropriate to the level of exposure and risk;
- application must clearly demonstrate efforts to find conventional financing;
- the amount of financing required and information on any program income that the activity may generate must be included in the application;
- effective and capable management of the proposed activity;
- analysis of primary and secondary economic and fiscal impacts of the proposed activity;
- local community development needs and distress factors as demonstrated by a narrative or a variety of demographic statistics.

▪

SECTION 108 LOAN ACTIVITIES

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 will be funded with a \$1.2 million Brownfield's Economic Development Initiative (BEDI) grant.

In addition, DHCD and HUD approved the following Section 108 Loan Guarantee project in 2003.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involves rehabilitation of two buildings. This project is Phase II of the City and MASS MoCA's revitalization plan for one of North Adams' most distressed neighborhoods.

Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth's annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources, and the two noted above will be heavily collateralized with non-CDBG resources. The possibility exists, however, that the loans default and will need to be repaid from the annual allocation. In FY 2011 the potential liability, or repayment total, could be up to \$380,000 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate all (or part) of the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

6. RESERVES

An initial allocation of \$1,000,000 will be available for the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

On occasion applications, or portions thereof, that were not funded during the competitive process may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A*, particularly those that address the Administration's goal of developing and/or preserving affordable workforce housing opportunities.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Awards are generally limited to a maximum of \$800,000. Please contact Sandra Hawes, Associate Director of the Division of Community Services, at 617-573-1401 with any inquiries about Reserves.

7. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

The Commonwealth of Massachusetts uses CDBG funds for administrative costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal two percent (2%) of the entire annual grant allocation, plus \$100,000.

An additional one percent (1%) of the allocation will be used for direct technical assistance to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade its software and reporting systems. Technical assistance will be available to communities for downtown revitalization planning activities.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2011

EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) IN FY 2011
3. COMMUNITY WIDE NEEDS SCORES AND PROGRAM ELIGIBILITY
4. COMMUNITY-WIDE NEEDS INDICATORS
5. SUSTAINABLE DEVELOPMENT PRINCIPLES
6. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD
7. MASSACHUSETTS FAIR HOUSING MISSION STATEMENT AND PRINCIPLES

EXHIBIT 1

LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS as of Federal Fiscal Year 2011

- | | |
|--------------|---------------|
| • ARLINGTON | • MALDEN |
| • ATTLEBORO | • MEDFORD |
| • BARNSTABLE | • NEW BEDFORD |
| • BOSTON | • NEWTON |
| • BROCKTON | • NORTHAMPTON |
| • BROOKLINE | • PEABODY |
| • CAMBRIDGE | • PITTSFIELD |
| • CHICOPEE | • PLYMOUTH |
| • FALL RIVER | • QUINCY |
| • FITCHBURG | • REVERE |
| • FRAMINGHAM | • SALEM |
| • GLOUCESTER | • SOMERVILLE |
| • HAVERHILL | • SPRINGFIELD |
| • HOLYOKE | • TAUNTON |
| • LAWRENCE | • WALTHAM |
| • LEOMINSTER | • WESTFIELD |
| • LOWELL | • WEYMOUTH |
| • LYNN | • WORCESTER |
| | • YARMOUTH |

EXHIBIT 2

MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) I AND II IN FY 2011

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2011; each may apply again in the fiscal year noted in parentheses:

| | |
|-------------|--------|
| Bellingham | (2012) |
| Blandford | (2012) |
| Carver | (2012) |
| Falmouth | (2012) |
| Granville | (2012) |
| Halifax | (2012) |
| Lakeville | (2012) |
| Leicester | (2012) |
| Montgomery | (2012) |
| Norwood | (2012) |
| Southampton | (2012) |
| Westhampton | (2012) |

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini-Entitlement |
|------------------|----------------|--------------------|---------------------|-----------------------|
| Abington town | 26 | X | X | |
| Acton town | 16 | | X | |
| Acushnet town | 24 | | X | |
| Adams town | 30 | X | | |
| Agawam town | 25 | X | X | |
| Alford town | 19 | | X | |
| Amesbury town | 29 | X | | |
| Amherst town | 29 | | | X |
| Andover town | 18 | | X | |
| Aquinnah | 30 | X | | |
| Ashburnham town | 27 | X | | |
| Ashby town | 27 | X | | |
| Ashfield town | 23 | | X | |
| Ashland town | 21 | | X | |
| Athol town | 30 | X | | |
| Auburn town | 25 | X | X | |
| Avon town | 28 | X | | |
| Ayer town | 26 | X | X | |
| Barre town | 26 | X | X | |
| Becket town | 31 | X | | |
| Bedford town | 16 | | X | |
| Belchertown town | 25 | X | X | |
| Bellingham town | 21 | | X | |
| Belmont town | 21 | | X | |
| Berkley town | 18 | | X | |
| Berlin town | 28 | X | | |
| Bernardston town | 29 | X | | |
| Beverly city | 25 | X | X | |
| Billerica town | 22 | | X | |
| Blackstone town | 27 | X | | |
| Blandford town | 21 | | X | |
| Bolton town | 18 | | X | |
| Bourne town | 32 | X | | |
| Boxborough town | 14 | | X | |
| Boxford town | 12 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Boylston town | 20 | | X | |
| Braintree town | 26 | X | X | |
| Brewster town | 26 | X | X | |
| Bridgewater town | 20 | | X | |
| Brimfield town | 25 | X | X | |
| Brookfield town | 27 | X | | |
| Buckland town | 28 | X | | |
| Burlington town | 20 | | X | |
| Canton town | 21 | | X | |
| Carlisle town | 17 | | X | |
| Carver town | 25 | X | X | |
| Charlemont town | 31 | X | | |
| Charlton town | 19 | | X | |
| Chatham town | 27 | X | | |
| Chelmsford town | 21 | | X | |
| Chelsea city | 33 | | | X |
| Cheshire town | 28 | X | | |
| Chester town | 34 | X | | |
| Chesterfield town | 33 | X | | |
| Chilmark town | 25 | X | X | |
| Clarksburg town | 28 | X | | |
| Clinton town | 31 | X | | |
| Cohasset town | 23 | | X | |
| Colrain town | 31 | X | | |
| Concord town | 17 | | X | |
| Conway town | 21 | | X | |
| Cummington town | 31 | X | | |
| Dalton town | 24 | | X | |
| Danvers town | 26 | X | X | |
| Dartmouth town | 25 | X | X | |
| Dedham town | 28 | X | | |
| Deerfield town | 25 | X | X | |
| Dennis town | 30 | X | | |
| Dighton town | 26 | X | X | |
| Douglas town | 22 | | X | |
| Dover town | 14 | | X | |
| Dracut town | 24 | | X | |
| Dudley town | 24 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-----------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Dunstable town | 16 | | X | |
| Duxbury town | 17 | | X | |
| East Bridgewater town | 25 | X | X | |
| East Brookfield town | 25 | X | X | |
| East Longmeadow town | 21 | | X | |
| Eastham town | 30 | X | | |
| Easthampton town | 28 | X | | |
| Easton town | 20 | | X | |
| Edgartown town | 32 | X | | |
| Egremont town | 24 | | X | |
| Erving town | 32 | X | | |
| Essex town | 29 | X | | |
| Everett city | 35 | | | X |
| Fairhaven town | 30 | X | | |
| Falmouth town | 27 | X | | |
| Florida town | 31 | X | | |
| Foxborough town | 20 | | X | |
| Franklin town | 20 | | X | |
| Freetown town | 21 | | X | |
| Gardner city | 29 | | | X |
| Georgetown town | 20 | | X | |
| Gill town | 24 | | X | |
| Goshen town | 25 | X | X | |
| Gosnold town | 32 | X | | |
| Grafton town | 25 | X | X | |
| Granby town | 24 | | X | |
| Granville town | 25 | X | X | |
| Great Barrington town | 33 | X | | |
| Greenfield town | 34 | | | X |
| Groton town | 21 | | X | |
| Groveland town | 21 | | X | |
| Hadley town | 25 | X | X | |
| Halifax town | 26 | X | X | |
| Hamilton town | 22 | | X | |
| Hampden town | 18 | | X | |
| Hancock town | 27 | X | | |
| Hanover town | 21 | | X | |
| Hanson town | 21 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Hardwick town | 31 | X | | |
| Harvard town | 15 | | X | |
| Harwich town | 32 | X | | |
| Hatfield town | 23 | | X | |
| Hawley town | 33 | X | | |
| Heath town | 29 | X | | |
| Hingham town | 17 | | X | |
| Hinsdale town | 30 | X | | |
| Holbrook town | 26 | X | X | |
| Holden town | 18 | | X | |
| Holland town | 27 | X | | |
| Holliston town | 21 | | X | |
| Hopedale town | 22 | | X | |
| Hopkinton town | 14 | | X | |
| Hubbardston town | 18 | | X | |
| Hudson town | 25 | X | X | |
| Hull town | 29 | X | | |
| Huntington town | 26 | X | X | |
| Ipswich town | 25 | X | X | |
| Kingston town | 29 | X | | |
| Lakeville town | 21 | | X | |
| Lancaster town | 28 | X | | |
| Lanesborough town | 26 | X | X | |
| Lee town | 32 | X | | |
| Leicester town | 24 | | X | |
| Lenox town | 29 | X | | |
| Leverett town | 25 | X | X | |
| Lexington town | 18 | | X | |
| Leyden town | 23 | | X | |
| Lincoln town | 19 | | X | |
| Littleton town | 21 | | X | |
| Longmeadow town | 15 | | X | |
| Ludlow town | 24 | | X | |
| Lunenburg town | 21 | | X | |
| Lynnfield town | 15 | | X | |
| Manchester town | 23 | | X | |
| Mansfield town | 21 | | X | |
| Marblehead town | 21 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-----------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Marion town | 25 | X | X | |
| Marlborough city | 25 | X | X | |
| Marshfield town | 20 | | X | |
| Mashpee town | 26 | X | X | |
| Mattapoisett town | 25 | X | X | |
| Maynard town | 26 | X | X | |
| Medfield town | 14 | | X | |
| Medway town | 20 | | X | |
| Melrose city | 21 | | X | |
| Mendon town | 21 | | X | |
| Merrimac town | 25 | X | X | |
| Methuen town | 30 | X | | |
| Middleborough town | 27 | X | | |
| Middlefield town | 31 | X | | |
| Middleton town | 21 | | X | |
| Milford town | 26 | X | X | |
| Millbury town | 26 | X | X | |
| Millis town | 20 | | X | |
| Millville town | 27 | X | | |
| Milton town | 21 | | X | |
| Monroe town | 35 | X | | |
| Monson town | 25 | X | X | |
| Montague town | 32 | X | | |
| Monterey town | 27 | X | | |
| Montgomery town | 20 | | X | |
| Mount Washington town | 21 | | X | |
| Nahant town | 20 | | X | |
| Nantucket town | 32 | X | | |
| Natick town | 20 | | X | |
| Needham town | 17 | | X | |
| New Ashford town | 21 | | X | |
| New Braintree town | 28 | X | | |
| New Marlborough town | 27 | X | | |
| New Salem town | 25 | X | X | |
| Newbury town | 20 | | X | |
| Newburyport city | 26 | X | X | |
| Norfolk town | 14 | | X | |
| North Adams city | 31 | | | X |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-------------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| North Andover town | 20 | | X | |
| North Attleborough town | 24 | | X | |
| North Brookfield town | 30 | X | | |
| North Reading town | 21 | | X | |
| Northborough town | 21 | | X | |
| Northbridge town | 26 | X | X | |
| Northfield town | 26 | X | X | |
| Norton town | 21 | | X | |
| Norwell town | 20 | | X | |
| Norwood town | 25 | X | X | |
| Oak Bluffs town | 33 | X | | |
| Oakham town | 19 | | X | |
| Orange town | 29 | X | | |
| Orleans town | 27 | X | | |
| Otis town | 27 | X | | |
| Oxford town | 25 | X | X | |
| Palmer town | 30 | X | | |
| Paxton town | 18 | | X | |
| Pelham town | 19 | | X | |
| Pembroke town | 20 | | X | |
| Pepperell town | 18 | | X | |
| Peru town | 29 | X | | |
| Petersham town | 27 | X | | |
| Phillipston town | 32 | X | | |
| Plainfield town | 32 | X | | |
| Plainville town | 26 | X | X | |
| Plympton town | 22 | | X | |
| Princeton town | 14 | | X | |
| Provincetown town | 35 | X | | |
| Randolph town | 25 | X | X | |
| Raynham town | 21 | | X | |
| Reading town | 19 | | X | |
| Rehoboth town | 21 | | X | |
| Richmond town | 23 | | X | |
| Rochester town | 20 | | X | |
| Rockland town | 30 | X | | |
| Rockport town | 28 | X | | |
| Rowe town | 32 | X | | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Rowley town | 21 | | X | |
| Royalston town | 29 | X | | |
| Russell town | 32 | X | | |
| Rutland town | 20 | | X | |
| Salisbury town | 32 | X | | |
| Sandisfield town | 26 | X | X | |
| Sandwich town | 21 | | X | |
| Saugus town | 27 | X | | |
| Savoy town | 31 | X | | |
| Scituate town | 22 | | X | |
| Seekonk town | 28 | X | | |
| Sharon town | 15 | | X | |
| Sheffield town | 32 | X | | |
| Shelburne town | 32 | X | | |
| Sherborn town | 16 | | X | |
| Shirley town | 25 | X | X | |
| Shrewsbury town | 18 | | X | |
| Shutesbury town | 26 | X | X | |
| Somerset town | 26 | X | X | |
| South Hadley town | 24 | | X | |
| Southampton town | 18 | | X | |
| Southborough town | 16 | | X | |
| Southbridge town | 30 | | | X |
| Southwick town | 26 | X | X | |
| Spencer town | 29 | X | | |
| Sterling town | 15 | | X | |
| Stockbridge town | 24 | | X | |
| Stoneham town | 25 | X | X | |
| Stoughton town | 25 | X | X | |
| Stow town | 17 | | X | |
| Sturbridge town | 25 | X | X | |
| Sudbury town | 15 | | X | |
| Sunderland town | 29 | X | | |
| Sutton town | 20 | | X | |
| Swampscott town | 23 | | X | |
| Swansea town | 25 | X | X | |
| Templeton town | 29 | X | | |
| Tewksbury town | 20 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-----------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Tisbury town | 33 | X | | |
| Tolland town | 25 | X | X | |
| Topsfield town | 15 | | X | |
| Townsend town | 20 | | X | |
| Truro town | 32 | X | | |
| Tyngsborough town | 19 | | X | |
| Tyringham town | 20 | | X | |
| Upton town | 20 | | X | |
| Uxbridge town | 23 | | X | |
| Wakefield town | 21 | | X | |
| Wales town | 29 | X | | |
| Walpole town | 20 | | X | |
| Ware town | 30 | X | | |
| Wareham town | 32 | | | X |
| Warren town | 32 | X | | |
| Warwick town | 32 | X | | |
| Washington town | 24 | | X | |
| Watertown town | 25 | X | X | |
| Wayland town | 16 | | X | |
| Webster town | 29 | | | X |
| Wellesley town | 14 | | X | |
| Wellfleet town | 32 | X | | |
| Wendell town | 24 | | X | |
| Wenham town | 18 | | X | |
| West Boylston town | 26 | X | X | |
| West Bridgewater town | 28 | X | | |
| West Brookfield town | 26 | X | X | |
| West Newbury town | 15 | | X | |
| West Springfield town | 33 | | | X |
| West Stockbridge town | 27 | X | | |
| West Tisbury town | 21 | | X | |
| Westborough town | 18 | | X | |
| Westford town | 15 | | X | |
| Westhampton town | 21 | | X | |
| Westminster town | 25 | X | X | |
| Weston town | 15 | | X | |
| Westport town | 25 | X | X | |
| Westwood town | 17 | | X | |

| City/Town | FY11 CWN Score | Eligible for CDF I | Eligible for CDF II | FY11 Mini- Entitlement |
|-------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| Whately town | 25 | X | X | |
| Whitman town | 26 | X | X | |
| Wilbraham town | 21 | | X | |
| Williamsburg town | 27 | X | | |
| Williamstown town | 24 | | X | |
| Wilmington town | 22 | | X | |
| Winchendon town | 30 | X | | |
| Winchester town | 15 | | X | |
| Windsor town | 24 | | X | |
| Winthrop town | 25 | X | X | |
| Woburn city | 28 | X | X | |
| Worthington town | 25 | X | X | |
| Wrentham town | 15 | | X | |

EXHIBIT 4

COMMUNITY-WIDE NEEDS INDICATORS

| MUNICIPALITY: COUNTY: | | 2000(06) | |
|--|--|---------------|---------|
| | | Raw Number | Percent |
| A. INDIVIDUAL FACTORS | | | |
| Low/moderate income persons (US Census, 2000 universe: 0) | | 0 | 0.0 |
| Unemployment rate (average annual 2011) | | 0 | 0.0 |
| B. COMMUNITY FACTORS | | | |
| % households w/housing cost burden>=30% of household income (US Census, 2000 universe: 0) | | 0 | 0.0 |
| Total levy per capita, % of per capita income (2010 DOR, US Census estimate, 2000 US Census) | | \$ 0 | 0.0 |
| Units built prior to 1940, % of total units (US Census 2000 universe: 0) | | 0 | 0.0 |

EXHIBIT 5

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

EXHIBIT 6

Guidelines for Project Consistency with the Commonwealth's Sustainable Development Principles

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. Governor Patrick's administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to insure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

Method 1

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

- a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or

b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

Method 3

IF a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses**, **Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- ☐ The project creates or supports mixed use.
- ☐ The project rehabilitates or redevelops existing structures or infrastructure.
- ☐ The project involves new construction that contributes to town or center revitalization.
- ☐ The project is at a higher density than the surrounding area.
- ☐ The project mixes uses or adds new uses to an existing neighborhood.
- ☐ The project produces multi-family housing.
- ☐ The project utilizes existing water and/or sewer infrastructure.
- ☐ The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

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Examples of ways to demonstrate consistency:

- ☐ The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project.
- ☐ The project conforms to Universal Design standards and/or incorporates features that allow for “visitability”.
- ☐ The project creates affordable housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- ☐ The project targets a high-poverty area and makes available affordable homeownership and rental opportunities.
- ☐ The project promotes diversity and social equity and improves the neighborhood.

Make Efficient Decisions: Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- ☐ The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

Protect Land and Ecosystems: Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- ☐ The project involves the creation or preservation of open space or passive recreational facilities.
- ☐ The project protects sensitive land, including prime agricultural land, and/or resources from development.
- ☐ The project involves environmental remediation or clean up.
- ☐ The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- ☐ The project eliminates/reduces neighborhood blight.
- ☐ The project addresses a public health and safety risk.
- ☐ The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

Use Natural Resources Wisely: Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

- ☐ The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- ☐ The project uses low impact development (LID) or other innovative techniques for storm water management that result in land or water conservation.
- ☐ The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

Expand Housing Opportunities: Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- ☐ The project increases the number of rental units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of housing options for special needs populations and people with disabilities.
- ☐ The project expands the term of affordability

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- ☐ The project is walkable to public transportation.
- ☐ The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- ☐ The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- ☐ For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- ☐ The project creates or retains permanent jobs.
- ☐ The project creates or retains permanent jobs for low- or moderate-income persons.
- ☐ The project locates jobs near housing, service or transit.
- ☐ The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- ☐ The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.
- ☐ The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Promote Clean Energy: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- ☐ The project complies with EPA's Energy Star guidelines or with a similar system.
- ☐ The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- ☐ The project reuses or recycles materials from a local or regional industry's waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- ☐ The project is consistent with a municipally supported regional plan that identifies sub-region, area or location, and the number and type of housing units or jobs needed.
- ☐ The project addresses at least one of the barriers identified in a regional Analysis of Impediments to Fair Housing.
- ☐ The project has a measurable public benefit beyond the applicant community.

NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state's community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23, and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth's Fair Housing Principles, attached at the end of this document.

EXHIBIT 7

Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Appendix C: Fair Housing Update

Fair housing is embedded in all the state's housing programs and activities. Massachusetts' fair housing policy is expressed through the Fair Housing Mission Statement and Principles. The Analysis of Impediments to Fair Housing Choice (AI), completed in 2007 is available at http://www.mass.gov/?pageID=eheadterminal&L=5&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&L4=DHCD+Legal+Resources&sid=Ehead&b=terminalcontent&f=dhcd_hd_fair_fairh&csid=Ehead. A Fair Housing Advisory Committee, comprised of fair housing advocates, representatives of quasi-public state agencies, and state and local enforcement agencies, assisted with development of the AI and continues to provide input to DHCD. The committee has recently focused on methods for furthering fair housing education and outreach; evaluating current local selection practices; promoting universal design and visitability; increasing community accountability for exclusionary practices; and improving housing access for residents with limited English proficiency.

With the committee's input, DHCD released its Affirmative Fair Housing and Civil Rights Policy in 2009. Available at: http://www.mass.gov/Ehead/docs/dhcd/hd/fair/affirmative_fairhousingp.pdf, the Policy consists of the following components: legal context; policy goals; implementation methods for leveraging financial resources to further fair housing, including fair housing evaluation criteria for discretionary funding of project sponsors/developers and municipalities, and promoting access through a diversity of housing types for families with children and persons with disabilities; broadening access for persons of limited English proficiency; and affirmative fair housing initiatives. Full implementation of the policies and detailed action steps is expected to take several years, but current initiatives and key objectives for the 2010-2014 period can be found in the Consolidated Plan.

Key Fair Housing Activities and Initiatives Undertaken in 2010:

- *Trainings on Reasonable Accommodations/Modifications in State-Aided Public Housing:*
 - Conducted trainings on providing reasonable accommodations/modifications and access for persons with disabilities in state-aided public housing.
- *Accessibility Technical Assistance and Evaluation Tools for Local Housing Authorities:*
 - Engaged a consultant to provide a Self-Evaluation/Transition Guide⁸ and to assist with improving capital planning tools and materials for Local Housing Authorities in assessing barriers to accessibility.
 - Currently updating capital planning tools and materials, as well as planning for additional technical assistance and trainings.
- *Data Collection and Opportunity Areas:*
 - Continued annual Data Collection⁹ efforts.
 - Worked collaboratively to provide data for the report by Action for Regional Equity, analyzing DHCD's 2008 data collection results in conjunction with

⁸ ADA/504 Self Evaluation and Transition Plan Guide, prepared by Kessler McGuinness and Associates (October 2010).

⁹ See supra note 6.

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- opportunity area data identified and utilized by the Kirwan Institute. The final Action for Regional Equity report, with Nancy McArdle as its primary author, is entitled, “State Housing and rental Assistance in Massachusetts: Who Is Served and Where.” (May 2010)
 - It is DHCD’s goal to be able to perform similar comparative analyses over time to demonstrate the evolution of demographic patterns in assisted housing relative to improving access to housing in opportunity areas discussed herein.
- *Limited English Proficiency: Among the steps DHCD is taking are the following:*
 - Finalized Language Access Plan (“LAP”) and posted it on our website in June 2010 (see <http://www.mass.gov/Ehed/docs/dhcd/hd/fair/languageaccessplan.pdf>).
 - Completing DHCD all staff protocols for utilizing interpreter (OPI and in-person) and translation services.
 - Translating key phrases for inclusion in notices and/or documents not yet translated to notify persons with LEP of important and legal documents
 - Continuing translation of vital DHCD program documents.
 - Conducted initial meetings with the quasi-public housing agencies as well as advocates on implementation strategies.
 - Participating in the Commonwealth’s Office of Access and Opportunity Inter-Agency Language Access Working Group consistent with the New Americans Agenda.
 - *Evaluation of Local Preference:*
 - With MHP, DHCD engaged a consultant to examine the use and impact of local preference policies in Massachusetts in connection with access to affordable housing. The final report is entitled “Local Preference: Assessment of Use and Impact on Fair Housing within Massachusetts’ Affordable Housing Developments” (December 2010). The study primarily examined the level of participation by racial and ethnic minority households through a sample of state-assisted affordable housing developments in comparison to the racial and ethnic makeup of the community and region of such developments. The report found that minority participation was strong overall.

Measurable Objectives for 2010-2014

Based upon the initiatives discussed above, the following is a listing of key DHCD objectives that are measurable in nature:

- The number of accessible units for persons with disabilities in state assisted housing
- The number of projects incorporating features of Universal Design or Visitability in state assisted housing
- The number of projects receiving state funding for development or substantial rehabilitation in “areas of opportunity”
- The number of “opportunity area” communities or communities undergoing significant revitalization or improvements to fair housing access that receive DHCD discretionary funding
- The number of translations of DHCD vital program documents
- The number of New Americans Agenda recommendations implemented
- The increase in representation of racial and ethnic minorities in communities with state assisted housing across the Commonwealth that are currently under-represented by minorities

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It is DHCD's intention continue to leverage all opportunities to increase awareness of, compliance with and furtherance of fair housing in the Commonwealth throughout the Con Plan period. The Agency will continue to report on its accomplishments, goals, and action steps as part of the consolidated planning process, including through the annual Action Plan and future updates to the Analysis of Impediments to Fair Housing Choice. DHCD will maintain its relationship with the Fair Housing Advisory Panel to provide progress updates, receive feedback, and to discuss potential future initiatives. Additionally, DHCD's commitment to civil rights extends beyond housing. Under its community development programs, civil rights obligations such as providing reasonable accommodations for persons with disabilities, providing access to persons with limited English proficiency, and otherwise ensuring non-discrimination against protected classes of persons also apply. Furthermore, DHCD aims to promote open and diverse communities and thereby foster equal opportunity and enjoyment of civil rights in various aspects of life for residents across the Commonwealth.

Appendix D: Methodology

The FY 2011 Action Plan is substantially based on the objectives and strategies identified in the 2010 – 2014 Consolidated Plan (“five year plan”) submitted to the U.S. Department of Housing and Urban Development (HUD) in May 2010. Representatives from each of the four covered programs reviewed and updated the information from the five year plan to ensure that the FY 2011 Action Plan reflects any and all changes that have occurred during the past year. In addition, a variety of state agencies, quasi-governmental bodies and other organizations contributed to the completion of the FY 2011 Action Plan by reporting on the funding levels and program activities for both new and ongoing initiatives.

Appendix E: Action Plan Certifications

In the printed version of this document, Appendix E includes the following application and certifications, required by HUD:

- SF-424, Application for Federal Assistance
- General State Certification
- Specific CDBG Certification
- Specific HOME certification
- ESG Certification
- HOPWA Certification